Austria	Sch. 18	Indonesia	Rp 7500	Portugal	Esc 90
Bahrain	Din 0.650	Italy	L 1300	S. Arabia	Rls 6.00
Belgium	BFr 42	Japan	Y550	Singapore	S$4.10
Canada	C$1.00	Jordan	Fils 500	Spain	Pta 110
Cyprus	C£0.60	Kuwait	Fils 500	Sri Lanka	Rup 30
Denmark	DKr 7.25	Lebanon	£1 8 00	Sweden	Skr 6.50
Egypt	E£1 00	Luxembourg	LFr.42	Switzerland	SFr 2.20
Finland	Fmk 6.00	Malaysia	Rm 4.25	Taiwan	NT $85
France	FFr. 8.00	Mexico	Pes. 300	Tunisia	Din 0.500
Germany	DM 2.20	Morocco	Dh 8.00	Turkey	L 210
Greece	Dr 70	Netherlands	Fl 2 50	U.A.E.	Dh 6.50
Hong Kong	HK$ 12	Norway	Nkr. 6.00	U.S.A.	$1.00
India	Rup. 15	Philippines	Pes. 20		

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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Why 3.8m Indonesians are being resettled, Page 9

World news

15 killed in Beirut car bomb attack

A powerful car bomb killed at least 15 people and wounded more than 70 others in a Christian neighbourhood of east Beirut. The explosion set two apartment blocks and dozens of cars ablaze.

The killing came after an escalation of fighting between Moslem and Christian militiamen across the Green Line, which left about 30 dead and 150 wounded since last weekend.

Instead of initiating dialogue, recent political moves, including a new alliance between former president Suleiman Franjieh and Christian militia commander Elie Hobeika, appear to have fuelled sectarian friction. **Page 3**

Israel frees 100

About 100 men freed from an Israeli jail returned home to south Lebanon, but a Moslem militia chief said 235 others were left behind because Washington broke a pledge to have them released.

Pakistan move

Martial law in Pakistan will be lifted and democracy completely restored by the end of the year; Prime Minister Mohammad Khan Junejo said. **Page 3**

Guatemala bomb

A bomb exploded at the Mexican embassy in Guatemala City, killing a gardener and a messenger.

Pipeline blown up

The oil pipeline to landlocked Zimbabwe from Mozambique port Beira was blown up. Soldiers are repairing it. **Page 3**

Ethiopia flood

Freak floods in drought-hit Ethiopia killed four people, wrecked thousands of hectares of farmland and left 7,000 homeless.

Elysée to sue

The Elysée Palace promised to sue a French magazine which alleged that a key aide of President François Mitterrand was personally involved in a plot to attack the Greenpeace flagship Rainbow Warrior, sunk in Auckland harbour last month.

Galtieri jail call

An Argentine military prosecutor called for former President Leopoldo Galtieri to be dismissed from the armed forces and jailed for 12 years for leading Argentina to defeat in the 1982 Falklands war with Britain.

Turkish train crash

At least 14 people were killed and five injured when two cargo trains collided near the east Turkish town of Malatya.

Anti-Reagan vote

President Ronald Reagan's star wars plan was approved by 41 per cent but opposed by 53 per cent in a Washington Post/ABC poll. **Page 4**

Ex-SS man jailed

In a Düsseldorf retrial, Hans-Gunther Wisner, 68, a former SS sergeant, was jailed for five years for aiding and abetting the murder of Jews in Latvia in 1944.

S. Korean amnesty

South Korea freed 732 prisoners under an amnesty marking the 40th anniversary of independence from Japanese colonial rule.

Gnats halt flights

Thick swarms of gnats at dusk have halted evening flights to and from Venice's Marco Polo airport, as they cause reduced visibility and threaten to clog engines.

Business summary

Madrid to end curbs on foreign investment

SPAIN is preparing to lift foreign investment restrictions on shipping, oil, refining, commercial aviation, mining, insurance and banking. **Page 2**

IRISH Government imposed a 12-month pay freeze for all public sector workers and called for a 2 per cent maximum increase in the private sector.

WALL STREET: The Dow Jones industrial average closed up 1.68 at 1,316.98. **Page 30**

LONDON equities gained ground, led by insurance stocks. The FT Ordinary share index firmed 6.4 to 966.0. Gilts were easier in thin activity. **Page 30**

TOKYO recovered and prices moved sharply higher. The Nikkei-Dow market average gained 92.93 to 12,419.64. **Page 30**

DOLLAR was firmer in London, rising to DM 2.789 (DM 2.784), FFr 8.5325 (FFr 8.51), SwFr 2.301 (SwFr 2.2975) and Y237.85 (Y237.25). On Bank of England figures the dollar's index rose to 137.0 from 136.5. **Page 23**

STERLING lost 45 points against the dollar in London to $1.385. It was also lower at DM 3.855 (DM 3.875), FFr 11.79 (FFr 11.84); SwFr 3.18 (SwFr 3.2) and Y329.0 (Y330.25). The pound's exchange rate index fell 0.3 to 81.7. **Page 23**

GOLD closed unchanged on the London bullion market at $326.25 and was slightly lower in Zurich at $326.15. In New York the Comex October gold settlement was $330.00. **Page 22**

FRANCE'S annual inflation rate dropped last month to 6.1 per cent from 6.4 per cent in June. **Page 2**

SOVIET industrial production last month rose 5.8 per cent on July 1984 with better performance in oil, steel and coal. **Page 2**

WEDD DURLACHER Mordaunt, British stockbroker 29.9 per cent owned by Barclays Bank, said it intended to acquire a 50 per cent interest in Meares & Philips, an Australian broker.

AT&T, the U.S. telecommunications group, is expected to make sizeable cuts in its office telephone equipment and computer subsidiary in a further cost reduction campaign. **Page 4; GTE Sprint's job cuts, Page 12.**

F. W. WOOLWORTH, U.S.-based stores group, lifted net income 42 per cent in the second quarter to $27m from $19m previously. **Page 11**

INDESIT: Italian Industry Ministry described the home appliance group's request to be placed in court-appointed state receivership as "the only solution." **Page 11**

SEALINK UK, the British ferry subsidiary of Bermuda-based Sea Containers, made a loss of $17.9m in the first half of 1985, although it was in profit during the second quarter.

DEAN Witter Reynolds, a financial services arm of U.S. retailing group Sears Roebuck, is shifting responsibility for all its international business from New York to a London-based group of executives. **Page 11**

SANOFI, the French pharmaceutical group, increased revenue by 37 per cent to FFr 7.56bn ($893m) for the first half of 1985.

BANQUE Indosuez, the internationally operating French nationalised bank, has taken full control of its Australian merchant banking company in which it previously owned 50 per cent. **Page 11**

UNION BANK of Switzerland, the biggest Swiss bank, is discussing taking a stake in Bankhaus Hermann Lampe, a West German bank based in Bielefeld on the fringe of the Ruhr industrial area. **Page 11**

DEN NORSKE Creditbank, Norway's largest commercial bank, announced a deal which will make it the only Norwegian bank with a wholly-owned subsidiary bank in the U.S. **Page 11**

Business leaders press Pretoria for major reforms

BY MICHAEL HOLMAN IN JOHANNESBURG

THE URBAN Foundation of South Africa, the country's influential business-backed lobby, urged the Government yesterday to adopt major and far reaching political reforms.

Speaking on the eve of a key policy speech due to be delivered by President P.W. Botha, the foundation's executive chairman, Mr Jan Steyn, called on South Africans "to recognise the gravity of our situation and rally to the cause of rapid, peaceful, fundamental reforms."

Observers believe that the most significant element in Mr Botha's speech will include an offer of negotiations with unspecified black leaders on some form of representation in central government but which nevertheless leaves whites the dominant group. He is also expected to reintroduce South African citizenship for blacks who have lost it under the country's homeland policy.

Hopes last week thet be would announce wider reaching reforms have been dampened over the past few days by the Government. In a commentary yesterday, South African Radio spoke of the "almost hysterical intensity" of speculation, much of which was "dangerously misguided."

Although "some fundamental constitutional restructuring will have to be undertaken" said the commentary, any suggestion thet Mr Botha should "dramatically unveil some kind of blueprint ... reflects confused thinking."

Observers believe that the expected concessions will fall far short of either black demands, or the "reform agenda" set out by Mr Steyn at the foundation's annual meeting in Johannesburg yesterday – a set of proposals which reflects the growing concern of the country's business community at the level of black dissatisfaction.

Established in 1976, the foundation's board of directors and the board of governors between them read like a Who's Who of mining, commerce and industry. Mr Harry Oppenheimer, former chairman of Anglo American and Dr Anton Rupert, chairman of Rembrandt, are president and vice-president respectively of the foundation's board of governors.

Mr Steyn, a former judge who has headed the foundation since its inception 10 years ago, outlined what was seen last night as probably the most far reaching and comprehensive package of policy changes backed by much of the business community. If implemented it would involve the dismantling of apartheid and initiation of constitutional talks with black leaders.

Although be did not mention him by name, Mr Steyn implicitly called for the release of the leader of the banned African National Congress (ANC), Mr Nelson Mandela, and other political prisoners.

He also implied that the Government would have to lift the ban on the ANC, saying: "We have to accept the existence of a wide range of black leadership that operates outside of formal structures, and which enjoys significant support." It was imperative, be said "that this leadership should be part of the processes through which reform is generated."

Mr Steyn's agenda includes:

- Negotiations with blacks as equal partners on "the sharing of power at central government level and the possibility of a federal component in the ultimate constitutional dispensation."
- All forced removals of blacks from so-called white areas to land classified as "black" to be "permanently abandoned."
- An "unequivocal reaffirmation" of

Continued on Page 10

Despair confronts returning expatriate, Page 3

Barclays cuts South African stake to 40%

BY DAVID LASCELLES IN LONDON

BRITAIN'S Barclays Bank is to reduce its holding in the South African subsidiary, Barclays National Bank (Barnat), from just over 50 per cent to 40.4 per cent.

Mr Peter Leslie, Barclays' chief general manager, said yesterday that the move was unconnected to the current political unrest in South Africa or the decisions by some U.S. banks to scale down their dealings with the republic.

"This is a commercial decision which has been under consideration for some time," he said.

Barclays will accomplish the reduction by not subscribing for a R254m ($116m) rights issue announced yesterday by Barnat. Barclays' entitlement will be taken up instead by two of Barnat's large existing shareholders, Anglo American Corporation and Southern Life.

Barclays will remain the largest shareholder in Barnat, which is South Africa's biggest bank. But once the reduction has gone through, Barnat will cease to be a subsidiary of Barclays, and will become an associated company, though it will remain part of the Barclays group. Its name will also be changed by the end of the decade to reflect the shifting balance of ownership; no new name has yet been selected.

Barclays stressed yesterday that the move was not a disinvestment: its stake in Barnat, which it values at £130m ($180m) remains unchanged, though it will decline as a proportion of Barnat'a total equity.

Mr Leslie gave several reasons for Barclays' decision.

The bank has a long-standing policy of encouraging local incorporation and local shareholding for its large retail commercial banking operations overseas, be said. Barclays had already reduced its stake in banks in Nigeria, Sierra Leone and Trinidad.

Under South African law, all banks have to be at least 50 per cent locally owned by 1986. Barnat was also obliged to have a rights issue to meet the higher capital standards now required by the South African banking authorities to strengthen the country's banking system.

This is the fifth in a series of staged reductions which have brought Barclays' stake in Barnat down from 100 per cent in the early 1970s. Mr Leslie said there were no plans for any further cuts, though decisions would be made as appropriate.

It follows a similar reduction by Standard Chartered, another British bank, of its interest in Stanbic, its South African subsidiary, from 50 per cent to 42 per cent in April. Standard also claimed the reasons

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Men and Matters, Page 8; Lex, Page 10

President of JAL to quit because of crash

By Carla Rapoport in Tokyo

THE PRESIDENT of Japan Air Lines, Mr Yasumoto Takagi, said yesterday that he intended to resign in the wake of the crash of a JAL Boeing 747 on Monday in which 520 people died.

The move came as government and airline officials remained unclear about the causes of the crash. Resignations of top executives in Japan are common after a major setback or disaster. Mr Takagi, however, had previously refused to resign in 1981 after a JAL crash at Tokyo's Haneda airport in which 24 people died.

The voice and flight recorders of JAL flight 123 were found undamaged yesterday near the crash site in the mountainous region of Gumma prefecture, northwest of Tokyo. Government officials are expected to examine the recorders today.

Japanese officials yesterday shifted the weight of their investigations from the aircraft's rear door, which was initially thought to have been the cause of the disaster, to the tail section. The aircraft's door was found yesterday ot the crash site in "sound condition." In the final communication with air traffic controllers, the captain of the ill-fated aircraft said an emergency landing was necessary because of a "broken" rear door.

On Tuesday, a section from the front edge of the aircraft's vertical stabiliser tail section was found floating in the sea, 150km from the crash site. Two more bits of the rear of the aircraft, including a air inlet duct from the bottom of the tail and another part of the stabiliser were found yesterday.

According to a statement made by one of the survivors of the crash, the pilot announced an emergency within 13 minutes of takeoff. The aircraft then pitched and rolled violently for as long as 30 minutes before it crashed and broke up in the mountains of Gumma.

Mr Takagi yesterday visited Mr Yasuhiro Nakasone, Japan's Prime Minister, to apologise for the incident. He said he was determined to resign as soon as "his presence was no longer necessary" considering the current crisis.

Later, when asked if this would be when all the compensation claims had been settled, Mr Takagi said that settling those claims could take years. He stressed that be intended to resign soon. He held out the possibility that other board members, as well as employees, might also resign when the inves-

Continued on Page 10

Survivor tells of disaster, Page 3

Commodore faces $80m loss after write-down

BY TERRY DODSWORTH IN NEW YORK

COMMODORE International, the once high-flying U.S. home computer company, is to take a "significant" year-end inventory write-down which will cause losses in the order of $80m in the fourth quarter of its financial year.

The loss will leave Commodore, which only a year ago declared record profits of $144m, in deficit for the current 12 months. Commodore reported a loss of $20.8m in its third quarter. In the first nine months as a whole, it achieved net income of only $10.1m.

Sales have fallen dramatically this year, plunging to $168m in the third quarter against $328m a year ago, and to $751m for the nine months, against $967m.

Commodore's inventory problems had been widely anticipated on Wall Street, which has knocked the group's share price back from a high of just over $60 a share two years ago to $10¼ yesterday, when it lost $⅝ in early trading.

Nevertheless, the figures underline the computer industry's present problems as it comes to grips with sluggish demand after a period of hyper-expansion.

Commodore had insisted earlier that it should be able to shift inventories of its ageing small computer range without write-offs or price cuts, partly because it had managed to open up new markets in Latin America.

The recovery of the company, which had net worth of $324m at the end of its last fiscal year, is now dependent on the success of its new Amiga home computer.

The Amiga was launched only three weeks ago in a clear shift of strategy towards direct competition with IBM and Apple in the personal computer market. Until now, Commodore had gained its position as a tough and ruthless competitor in the market for cheap home computers, with its successful Commodore 64 selling for about $200 as against the Amiga's $1,285.

The change in the fortunes of the company follows the departure of its colourful founder, Mr Jack Tramiel, last year. Mr Tramiel has since taken over Atari, a home computer company which concentrated, like Commodore, on the low-price sector of the business.

Philips, the Dutch electronics and consumer products group, reported a sharp decline in second quarter profits. As a result, net earnings for the half year are 20 per cent lower at Fl.436m ($138.7m) and the company has been forced to downgrade its profit projections for 1985 as a whole. Page 11

U.S. results lift two big British insurers

BY ERIC SHORT IN LONDON

BRITAIN'S general insurance industry is at last on the road to recovery after recording very heavy underwriting losses and declining profitability over the past few years, particularly in 1984.

This is the message conveyed by the half-yearly figures reported yesterday by two of Britain's leading composite insurance groups, Commercial Union Assurance and the General Accident Group.

CU reported a second quarter pre-tax profit of £5.4m ($7.5m) – the first quarterly profit achieved by the group in nearly two years. GA was more successful with a second quarter profit of £18.2m.

These second quarter results offset the very poor first quarter figures when both companies reported heavy pre-tax losses. Indeed, GA almost managed to break even over the half year with a pre-tax loss of just £200,000, while CU had a pre-tax loss of £12.1m for the six months.

In themselves the figures do not appear dramatic. But they are better than the profit figures for the first half of 1984 when CU recorded losses of £14.5m and GA losses of £2.4m.

Both groups report better results from the U.S. – the main area of operation for both groups and the main cause of losses in past years.

CU, which has been drastically pruning back on its unprofitable business in the U.S., reported a drop in underwriting losses in the second quarter compared with the corresponding period last year from $89.6m to $53.9m and a reduction of

Continued on Page 10

Lex, Page 10; News analysis and results, Page 16

New Union Carbide gas leak casts doubt on plant safety

BY OUR NEW YORK STAFF

UNION CARBIDE, the U.S. chemicals company, confirmed yesterday that yet another gas leak had occurred at one of its plants, affecting residents in South Charleston, a few miles away from the site of its troubled plant in Institute, West Virginia.

The latest emission involved a non-toxic, nauseous gas, but which can cause difficulty in breathing and burning sensations in the throat and eyes. These symptoms are very similar to those associated with the leakage of aldicarb oxime, which caused 134 people to seek hospital treatment at Institute last Sunday.

The new leak will add pressure to the mounting criticism of Union Carbide's safety systems. In the wake of the escape of aldicarb oxime, it has been revealed that parts of the plant at Institute, which was recently given a clean bill of health by federal authorities, had not been fully linked up with new computerised safety monitoring systems.

These systems were introduced following the disaster at Bhopal in India, in which a Union Carbide plant leaked a large cloud of the deadly methyl isocyanate chemical, killing over 2,000 people.

Concern about the Institute plant safety was underlined by congressional leaders on a visit to Institute to assess the accident. Mr Robert Byrd, the Senate minority leader, who represents West Virginia in Washington, said that the chemicals industry generally had "lost credibility."

One of the features that is particularly worrying both political leaders and national safety officials is that the Institute facilities have been the object of detailed scrutiny over the last few months. Union Carbide has redesigned its production in the plant to avoid the shipment of methyl isocyanate, and at the same time has set up more elaborate safety procedures.

Meanwhile, Gaf, the diversified chemicals and roofing manufacturing company, which has recently taken a stake in Union Carbide, said yesterday that it might increase its equity position, "depending on the price and availability of the shares, the availability of funds to Gaf, subsequent developments affecting Union Carbide, Union Carbide's business and prospects, and other factors."

Gaf'a declaration of an interest in the Connecticut-based group has fuelled renewed takeover speculation, although Carbide's shares remained unchanged in early trading yesterday at $52½.

CONTENTS

EUROPEAN NEWS

W. German domestic demand 'to rise'

WEST GERMAN domestic demand should rise in the current quarter and compensate for a flattening in the steep growth rate for exports seen over the past two years, according to a report by the DIW economic research institute quoted by Reuter from West Berlin.

GNP will expand by between 2.5 and 3 per cent, says DIW, the only major West German economic institute to disagree with the Government's forecast of 2.5 per cent growth this year.

Airport security row

TWO French consumer organisations said yesterday they were ready to sue the Interior Ministry and boycott France's domestic airline, Air Inter, if airport security checks against terrorist attacks was not improved, Reuter reported from Paris.

The Federation of Transport Users (FUT) and the Associatioo for Defence of Citizens against Civil Service Abuse (ADUA) said they supported two Air Inter pilots who refused on Tuesday to take passengers on board because they said their luggage and the aircraft had not been properly searched.

Winegrowers protest

AN ESTIMATED 5,000 West German winegrowers took to the streets yesterday in a protest against government officials' handling of the spreading tainted wine scandal, reported Reuter from Mainz. More than 15m litres of wine laced with a potentially lethal chemical have been impounded in Austria and West Germany this summer.

Tomatoes 'poisoned'

TOMATO growers in the Naples area may have mistakenly poisoned their crops by using a toxic pesticide produced by Union Carbide, the U.S. chemical company, an Italian Health Ministry spokesman told Reuter.

Food production up

WORLD FOOD production increased more than 4 per cent last year, but food shortages and distribution problems in Africa became more acute, the UN's Food and Agriculture Organisation said.

SOVIET UNION STEPS UP QUALITY CAMPAIGN

Moscow criticises Bulgaria

BY DAVID BUCHAN, EAST EUROPE CORRESPONDENT, IN LONDON

THE SOVIET UNION has stepped up its campaign to get better quality goods from its Comecon partners by publicly criticising aspects of the economy and work practices of its closet ally, Bulgaria.

Mr Leonid Grekov, the Soviet envoy to Sofia, recently told a Bulgarian magazine that Bulgarian exports to the Soviet Union posed "problems of quality," while admitting the same could be said of some Soviet shipments to Bulgaria.

He also said it was proving "easier to create than exploit" Bulgaria's largely Soviet-supplied nuclear and thermal power stations; that some machinery in Bulgaria was functioning at only 10 to 15 per cent of capacity, and that Bulgarian workers were not "proletarianised" enough because they saw factory jobs as secondary to tilling their plots and building their houses in the countryside.

Mr Grekov's remarks are in line with the Soviet drive, begun before the advent to power of Mr Mikhail Gorbachev but accentuated under the new Kremlin leader, to get a better return on trade and investment with Eastern Europe.

But specific castigation of Bulgaria, outside the generalities raised in multilateral Comecon meetings, is surprising, given its very close ties to Moscow and the priority it gives to the Soviet Union above all other markets.

Nearly 60 per cent of all Bulgarian trade is done with the Soviet Union, and Sofia has keenly sought to carve out for itself special niches in the Soviet market, such as in fork lift trucks and electronics.

The Soviet ambassador's comments must be seen in the context of wrangling over co-ordination of the two countries' 1986-90 plans.

The comment on the so far inadequate return on Soviet investment in Bulgaria's non-oil energy sector is significant in the light of the favouritism that the Soviet Union has shown Bulgaria in the past in supplying it more oil than it needed and allowing it to refine and sell this excess in the West for hard currency.

Evidently Moscow is looking for a chance to reduce these oil shipments.

Soviet industry boosts output

BY OUR MOSCOW CORRESPONDENT

THE SOVIET economy is far from turning around but industrial figures released yesterday show that slight progress is being made this year in boosting output in some sectors.

Data compiled by the Soviet statistics board showed that industrial production last month was 5.8 per cent up on the same month last year.

This rate is significantly higher than the 3.5 per cent increase registered overall in the first seven months of 1985 and is reflected in improved performance in several industries.

Although oil and steel output remain well below target and last year's levels, production of both increased in July compared with the previous month.

Oil output rose by 3m tonnes to reach 50.2m tonnes in July, while steel production totalled 13.1m tonnes against 12.6m the month before.

Coal production was marginally up on last year and so was mineral fertiliser output. The Soviet livestock sector continued on course for another meat production record.

Labour productivity, the means by which Mr Mikhail Gorbachev, the Soviet leader, wishes to improve economic performance, increased 3 per cent, up on last month and last year.

A feature of statistics since Mr Gorbachev took power in March has been an increase in the number of ministries acknowledged to be below production targets. This is because the Soviet leader stopped the previous practice of fixing figures to show adherence to the plan.

Walesa commemorates strikes

BY LESLIE COLITT IN WARSAW

MR LECH WALESA, leader of the banned Solidarity trade union, placed flowers at the three crosses monument in Gdansk yesterday to mark the fifth anniversary of the start of strikes in the Lenin shipyard which gave birth to Eastern Europe's first independent union.

Wearing a Solidarity T-shirt Mr Walesa was applauded by some 200 supporters as he walked to the monument just outside the main gate. Uniformed police patrolled the area but did not prevent him from placing the bouquet. After a silent tribute to workers slain in the 1970 uprising on the Baltic coast, Mr Walesa raised his hand in a victory sign and led the crowd in singing the Polish national anthem with the words "Poland is not yet lost."

Mr Walesa was scheduled to attend evening mass for shipyard workers at St Brygida's Church. A placard hung on the church door listing the 21 demands of the striking workers which made up the agreement signed with the Government on August 31 1980. The words "still valid" were scrawled on the poster.

Father Henryk Jankowski, provost of St Brygida's, was sharply criticised recently by the deputy head of the Government's Office for Religious Affairs who accused him of heading a "political church".

Mr Aleksander Merker claimed that Father Jankowski, who is one of many younger priests in Poland who continue to support Solidarity, was also "troublesome" for the Polish Catholic church, which allegedly found it difficult to remove him.

The Polish official hinted that Father Jankowski and like-minded priests enjoyed the personal protection of Pope John Paul II. Cardinal Jozef Glemp, the Primate of the Polish church, "does nothing without the Vatican," he said.

Mr Merker said the Polish-born Pope made all decisions regarding Poland "on his own."

He praised Cardinal Glemp, however, who he said was an "easier partner for the Government" than his predecessor, the late Cardinal Stefan Wyszynski, who he noted had frequently opposed the Pope. Relations between church and state, he said, were better now than in the 1950s and 1960s.

Inflation down in France

By David Marsh in Paris

THE FRENCH Government has received welcome news on the prices front with the publication of figures showing that the annual inflation rate dropped last month to 6.1 per cent from 6.4 per cent in June.

According to a provisional report from the Insee statistical office, consumer prices rose 0.4 per cent in July, the same as in June. This made last month the least inflationary July (excluding the period of price freeze in 1982) since 1970.

The figures indicate that prices are still generally being held down by the sluggish state of the economy, in spite of a series of programmed price increases which took place last month, above all for cars.

France still looks set to overshoot by a significant margin the Government's 1985 inflation target of 4.5 per cent. Insee is forecasting that the inflation rate will be down to 5.6 per cent by the end of the year. This is slightly less than the prediction of the Organisation for Economic Co-operation and Development, which said this week it believed the figure would be about 6 per cent, descending to just over 4.5 per cent next year.

M Pierre Bérégovoy, the Finance Minister, meanwhile welcomed the figures as showing the strength of the "disinflation process." He has been particularly comforted by the annual rate of price increases over the past three months falling to 5.2 per cent.

Spain to free most foreign investment

SPAIN IS preparing tn lift almost all restrictions on foreign investment, including the flotation of foreign shares on the Madrid stock exchange, according to Sr Guillcrmn de la Dehesa, the Secretary of State for Trade.

He told a seminar on the European Community that the change would be in effect by next year when Spain is scheduled to join the EEC, Reuter reports from Madrid. Shipping, oil refining, commercial aviation, mining, insurance and banking would be affected mainly.

The Government last May raised the ceiling on investments from abroad which required cabinet approval, but did not include the sectors covered under the new ruling. Foreign investors will also be able to deal in ordinary pesetas instead of having to use special convertible ones.

Foreign investment totalled Pta 95.1bn (£419m) in the first half of the year against Pta 111bn in the same period last year. But the Trade Ministry said the decline was due to seasonal factors and the year-end figure would be higher than in 1984.

Sr de la Dehesa said foreign companies would be allowed to float shares on the Madrid exchange to stimulate foreign investment there. This totalled Pta 27.1bn in first six months of this year against Pta 11.7bn a year earlier.

The head of a large Spanish portfolio management company was sceptical, however, about the effect this measure would have on foreign investment.

"I have not detected much interest by foreign companies to float their shares in Madrid," be said." The market is too small ta attract much interest.

"They would do better tn scrap the 30 per cent capital gains tax on stock market investments. This is a real anachronism within the context of the European Community," she said.

Spain must lift foreign investment restrictions as a result of its decision to enter the European Community, but need not do so immediately it joins.

Luxembourg group back in running for French TV satellite

BY DAVID MARSH IN PARIS

THE FOCUS of attenlion in Franca's long-running television satellite saga is again turning towards Luxemhourg as broadcasting groups and electronic eqnipment companies jockey for a stake in Europe's first project for direct broadcasting from space.

Compagnie Luxembourgeoise de Telediffusion (CLT) the Grand Duchy's broadcasting company which runs French and German language services, has again, after several months on the sidelines, become a prime candidate to lease two channels on the TDF-1 satellite tn be launched next year.

CLT's Radio Tela Luxembourg offshoot has also made a firm bid to set up an uver-the-air French television service. This would be one nf the twn new nationwide commercial televisioo channels authorised to start next year, and might possibly ba run jointly with Radio Moote Carlo.

Torner Broadcasting, the U.S. organisation headed by Atlanta-based Mr Ted Turner, is meanwhile making clear that its interest is exploratory and, at the most, geared towards the lnng term.

Like many other organisations showing interest in TDF-1, it is underlining that many economic questions have still not been answered. TDF-1 has cost about Ffr 1bn (£85m) to build under a Franco-German project agreed at the end of the 1970s, when assumptions abont the economic outlook for satellite broadcasting were generally a great deal more sanguine than they are now.

Setbacks for rival ventures in Europe—notably in Britain and Luxembourg — have left the French out in front nf the field.

The satellite, with a potential andience of 150m people in western Europe, nffers undoubted commercial attractions for programme-makers and advertisers. France also believes it will be a "shop window" for the technolngy. But, in spite of considerabla horse-trading in France and abroad dnring the past year, the satellite's acheduled launch date of July 7 is about the only feature firmly decided.

M Jacques Pomonti, the bead of France's Andiovisual Communications Institute appointed to set up an operating company for the project, said last week that half the capital will be in foreign hands. These include Mr Robert Maxwell, proprietnr of Britain's Daily Mirror newspaper, with 20 per cent and Philips of the Netherlands with 5 per cent. Initial capital will be FFr 30m, rising to FFr 600m. Final government authorisation will not be given until August 29.

M Pomonti hopes for agreement on programmes this autumn. Tha French Government has earmarked one channel for a cultural educational service oriented towards European audiences, and is to free FFr 700m in public funds to develop it.

Maxwell: 20 per cent stake

The refnrging of the Luxembourg connection was confirmed last week when M Georges Fillioud, the French Communications Minister, went to discuss co-operation with M Jacques Santer, the Grand Duchy'a Prime Minister.

M Pomonti has accepted the Luxembourg view that FFr 90m per channel per year for leasing TDF-1 is too high, at least initially, because andience expectations have fallen.

He believes the price could be increased as audiences rise, after operations begin fully around the start of 1987. CLT believes the initial price should be more in line with the FFr 15m-FFr 20m it costs tn base a channel on the ECS-1 communications satellite. The company is using an ECS-1 channel from August 28 to beam its RTL German language service tn cable operators across West Germany.

WORLD TRADE NEWS

Danish engineers take a tilt at windmill market

BY HILARY BARNES IN COPENHAGEN

WHEN OIL prices went through the roof, there was a hrief flurry nf interest from many large engineering companiea in the potentiel from windmills, but the majors quickly concluded that tbe market was not worthwhile.

Five small Danish workshops, bowever, took a different view and in little more than three years, they have turned windmill production intn nne of Denmark's fastest growing industries.

Their tilt at the windmills market is not remotely Quixotic either. Pretax returns on sales last yeer for the five companies varied from 19 to 27 per cent.

The biggest and latest order tn gn to tbe Danes was placed this week hy the U.S. finance bouse, Kidder, Peabody, which has ordered 558 mills, worth about DKr 350m (£25m) from The Micon Group of Randers, Jutland.

The mills will be erected in the San Gorgonio area, east of Los Angeles, where the world's higgest windmill park is sited. Kidder Peabody will sell shares in the windmills to tax-plagued Californians lonking for a tax write-off.

In 1984, Micon, owned by the Brothers Erling and Pedar Moerup, notched up pretax profits nf DKr 89m on sales of DKr 294m from 387 windmills. This year, it expects tn more than double both deliveries and sales.

Five years ago, the Danish windmill producers either did not exist or were small machine-workshops. Last year, their combined sales reached DKr 1.2bn and this year are expected to exceed DKr 2bn (£150m), with a delivery of about 3,000 windmills, each wilb an output capacity varying from about 60 to 110 kw.

Almost all the mills are exported to California and this has put windmills on a par with enzymes and canned hams as a Danish dollar-earner. The five companies employ about 1,100 people and almost as many again are employed by sub-contracting companies.

But the Californian windmill venture may have peaked. The Californian tax write-offs on windmills are to be phased out next year.

The biggest nf the Danish producers is Vestas, nf Lem, on Jutland's west coast, with sales last year of DKr 388m, and 1,600 mills curreotly on nrder.

The other three are Nordtank, nf Ebeldoft, Jutland's Windmatic of Herning (owned by the U.S. compaoy Alrtricity), and Danregn Vindkraft.

The mills are a bigb-technology product, nperated with the help of sophisticated electronic components.

The companies receive valuable research and development assistance from the Danish Atomic Energy Authority, while government subsidies for the erectioo of windmills in Denmark have provided the companies with an important test market.

Altogether, about 1,300 windmills are in operation in Denmark, including a 16-mill park on the seafront at Ebeldoft which was npened in June this year.

Submarine project contract for Kockums

By David Brown in Stockholm

KOCKUMS, the Swedish state-owned speciality shipbuilder, and Howaldtswerke Deutsche Werft (HDW) of West Germany, have been awarded contracts to develop proposals for a new-generation submarine for the Australian Navy each worth about £8.8m.

The winner nf the design competition—to be decided in some 18 months' time, and which involves between six and eight submarines valued at about A$2.6bn (£1.8bn)—will oversee production of the 2,000 ton displacement vessels in Australia.

Dutch, French and UK yards were ellminated in the early stagea of the bidding.

Kockums has formed a 60 per cent Australian-owned consortium—consisting of the Australian Industry Corporation and several local companies — to bandle finance arrangements, project management and construction should it win tha contract.

Similar arrangements ere said to have been mada by HDW.

In Sweden, Kockums submarines ere built in sub-contracted modules around the country and assembled in its Malmo shipyard.

"This construction method gives us e competitive advantage with nfficials wbn might wish, for employment reasons, for a geographic spread to the work," e Kockums spokesman said.

The bid also includes a new propulsion device developed for the Swedish Nevy which ellows vessels to remain submerged et any depth for up to three weeks.

Ericsson telephone deal with Australia

L. M. ERICSSON, the Swedish telecommunications and information system group, has been awarded an order worth some SKr 90m (£7.5m) to supply the Australian telecommunications agency with cellular mobile telephone equipment, David Brown reports from Stockholm.

The system choice, also announced yesterday by the Australian Ministry of Communication, will involve orders worth a total of A$65m (£40.6m) over the next several years for equipment to serve an expected 150,000 subscribers.

Deliveries nf equipment in the initial contract will be in late 1986 and early 1987 from L. M. Ericsson Pty, the group's Australian subsidiary.

Alain Cass on the possible results of agreement between Peking and Washington

U.S. nuclear sector licks its lips over China

U.S. NUCLEAR plant manufacturers, fallen on hard times partly because of environmental concerns, might be forgiven for salivating at the prospect of hreaking into the potentially lucrative Chinese market now that the nuclear co-operation agreement between Peking and Washington has been signed finally.

The agreement, initialled during President Ronald Reagan's China trip last year, fell foul over the sensitive issue of non-proliferation. A compromise, which the U.S. Administration feels it can steer through Congress, was finally struck last June in Peking and formally ratified when Chinese President Li Xiannian visited the U.S. last month.

The agreement still has tn run its full course in Congress which could still object to some of its provisions. But the major burdles appear to have heen overcome.

Japan'a nnclear industry is now also on tha starting blocks following a aimilar agreement signed lete in July. This brings to a total of seven the number of bilateral agreements signed by Paking including ones with Britain, West Germany, Belgium, Brazil and Argentina.

Chine's nucleer power strategy calls for the building of power plants with a total of 10,000 megawatts (Mw) or 5 per ceot of the country's total electricity generating capacity hy tbe year 2000. Optimistic foreign estimates put tbe value of this plan at between $10bn-$20bn, conjuring up visions of a flood of foraign orders.

The first phase of the plen calls for construction of five pressurised watac reactors (PWRs) in three areas: Daya Bay in Guangdong province near Hong Kong, for which France's Framatome and Britain's GEC are in advanced negotiations; Sunan and Jinshanwei in east China near Shanghai and Liaoning in northeast China.

The Chinese elso plan a 300mw reactor of their own design—first commissioned in 1972 at Qingshan in Zhejiang province.

China's longer-term plans call for the development of breeder-reactor technology and, early in the next century, tha construction of fusion power plants.

The belief that China could be a potential gold mine for the world nuclear industry has been encouraged by other factors: plentiful domestic supplies of uranium; an already well-develnped nuclear weapons establishment with considerable technical expertise; an acute energy shortage; poor transport facilities to get the country's vast coal reserves to the customer; and substantial foreign exchange savings to purchase expensive foreign plant.

Underscoring these positive reasons for optimism is the presence nf Vice Premier Li Peng at the head of the country's nuclear industry. He is e powerful figure increasingly tipped as a possihle future premier and one certain to give momentum to the country's nuclear push.

As is often the case with China, however, the reality may not be quite aa glittering. Recent indications suggest that, while China will remain an important new market, the country's potential for foreign mennfacturers may not be as vast as the programme suggests.

One Western official involved in negotiating the sale of nuclear plants to China said: "The Guangdong power plant is something of a special case because of the ready market for its electricity and the agreement between Britain and China over Hnng Knng.

"Negotiations over the Sunao plant appear tn be well advanced. But the rest of the programme is still very much a paper programme as far as we can see."

There are a number of reasons for this. One is that China has made it clear recently that, rather than buying complete plants from ebroad, the country's leaders want to develop an indigenous manufacturing capacity through technology transfer.

This is already a key element in the talks with Framatome for the two reectors planned at Daya Bay and West Garmany's Kraftwerk Union (KWU) the apparent front-runner in the 1,800 Mw Sunan nuclear plant talks.

Given the country's relative lack of manufacturing capacity to produce key components and the acute shortage nf domestic construction material this pollcy could act as a significant brake nn progress as China strives to develop its nwn nuclear power industry.

Some Chinese officials have predicted that nnly 3000Mw—or less than nne third of the planned nuclear capacity — will come from imported equipment.

Anothec reason fnr a likely alowdown is the continuing npposition to e full-blooded nnclear programme among scientists and officials with nther axes to grind. They argue thet nn grounds of econnmy — the high cost of imported equipment as well as the expense of China's domestically produced fuel— and safety, the programme should be shelved in favour of faster development of the country's coal and hydro resources.

Last September, a member of the powerful State Planning Commission's Economic Institute argued strongly for such a move in published article, suggesting some backing in the leadership.

Finally, there is the fact that although Chine has substantial foreign reaerves and an excellent credit rating which would enable it to raise several times the cost nf financing its nuclear plans, the leadership has shown itself too prudent to the point of conservatism.

Officials repeatedly say that China bas learnt from the debt crisis and will never place itself at the mercy of Western bankers.

DAYA BAY — A $4bn project likely to be finalised by the end nf this year despite fierce haggling by the Chinese to bring the price down. Construction unlikely to start by China's 1991 deadline although site preparatinn is under way.

SUNAN—Key state construction project for the Seventh Five-Year Plan. Two 900 mw reactors planned. Framatome and Alsthom Atlantique of France and KWU of West Germany are in the running.

QINGSHAN—First approved in 1972 by Zhou Enlai. Based on a Chinese PWR design although some key components have been purchased from West Germany, Sweden and Japan. Target date fnc operation, 1990.

LIAONING—China plans to produce much of the equipment for this plant domestically although it is holding talks with Framatome over technology transfer. Unlikely to get off the drawing board until other plants are under way.

JISHANWEI—Another paper project which is likely to depend on the success of China's earlier plants. A feasibility study has heen completed, however, and the technical design is under study at the Southwest China Reactor Engineering Research and Design Institute.

Turkey closer to building first N-station

BY DAVID BARCHARD IN ANKARA AND ANDREW FISHER IN LONDON

TURKEY moved closer to the construction of its first nuclear power station yesterday, with the signing of a letter of intent with Caoadian, UK, and local companies for the construction of the $900m (£642m) project.

The 635 mW power station at Akkuyu on the Mediterranean coast, for which firm contracts still bave to be awarded, will have a Candu-design reactor from Atomic Energy of Cenada Ltd (AECL).

General Electric of the U.S. and West Germany's KWU have already dropped out of the running.

NEI Parsons, e subsidiary of Northern Engineering Industries of the UK will supply a £50m turbine generator as part of an overall £200m-worth of equipment which it has agreed to provide itself, and from other sources.

Also involved are Tek (the Turkish Electricity authority) and Enka Insaat Ve Sanayi, a local construction company. AECL will operate the plant for an initial 15 years, before selling it to the Turkish authorities.

A firm cootract is expected to be signed by the beginning of Octnber. Parsons already supplied equipment for other Candn reactors in Canada itself and South Korea.

AECL will bave the majority stake in the consortium, with 48 per cent, Tek will bave 40 per cent, with the rest split between the other participants.

● A decision to build Turkey's new Galata Bridge in Istanbul on piles rather than oo pontoons has put a consortium of Thyssen of West Germany and the Turkish construction company Sezai-Turkes/Fevzi Akkaya (ST-FA) firmly in the lead to win the contract.

The consortium's bid of $30.6m (£23.5m) had previously trailed behind one for $23.6m put in by e Turkish-Japanese consortium of Yuksel Insaat and Kumagai Gumi.

The bridge, which will have to open nightly to allow shipping to pass, will carry ona nf the most important roads of the city, wbich has a population of 6m.

An existing hridge, built on pontoons 100 years ago, has been due for replacement for several years.

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Despair confronts expatriate on return to South Africa

Bernard Simon, Financial Times correspondent in Toronto, recently returned on holiday to South Africa where he was born and brought up. He describes his personal impressions of a confused country in a state of turmoil.

SOUTH AFRICA does to your emotions what a roller coaster does to your stomach. In the last two weeks, I have many times tumbled into sick despair only to find some small incident yanking my spirits up again towards hope and optimism.

Is there any hope for racial harmony in a country where a young English-speaking conscript casually displays a swastika carved into the sole of his shoe? Perhaps there is, when you are told of the Durban priest who refuses to don a military uniform when he ministers to "the boys on the border," arguing that he also has to consider the feelings of his black parishioners.

On the one hand, the news that four white hoodlums are standing trial in a Western Transvaal farming town charged with raping a black woman, then burning her alive in the boot of a car, suggests that little has changed. On the other, when you see a group of boisterous Afrikaner civil servants from Bloemfontein step aside in an aircraft aisle to allow a black woman to disembark ahead of them, you know that for South Africa, that's progress.

Confusion is the over-riding emotion: you keep asking yourself whether it is realistic to expect that the specks of light will ultimately grow strong enough to dissolve the darkness, or whether white South Africans merely pounce on every scrap of encouragement, no matter how small, just because they don't want to face up to an uncertain future.

Confusion surfaces in many ways. Ask a black worker about events in the townships and the first response is usually a sad shake of a bowed head.

Among whites, conversation turns to politics even sooner than usual (it never has taken long in South Africa), but the arguments are invariably inconclusive: Will sanctions push the Government towards speedier reform? How far and how fast should president P. W. Botha move? How much further will property prices fall?

And, perhaps the subject raised most often at suburban dinner tables these days, should one emigrate to Australia, Canada, the U.S. or Britain? The Australian embassy in Pretoria gets so many enquiries that telephone callers now hear a recorded message giving a list of occupations in demand, such as pastry chef, furniture polisher and economist.

Nobel peace prize winner Bishop Desmond Tutu is a constant topic of conversation and controversy. An elderly white Anglican minister refuses to talk about the bishop because "I gave up swearing many years ago." But Bishop Tutu had the ladies at a Johannesburg retirement home eating out of his hand after enquiring about their families and the correct spelling of their surnames.

In more serious vein, a leading political observer wonders how long the bishop, without a real power base, can remain a credible force across the wide gulf separating race groups and ideologies. For the moment, he is one of the few people in the country who appears to enjoy respect from a significant cross-section of both blacks and whites.

That there are so few others is a reminder of the Nationalist Government's success in building a high wall between the races, making sure that leaders on one side have little credibility on the other.

The consequences of this policy were apparent last week. While black urban community leaders were rejecting secret advances to open a dialogue with Pretoria, Mr Botha descended by helicopter on Kwandebele, one of the most wretched and discredited of the black homelands, for a "summit" with the Chief Minister.

Optimists were able to find a silver lining even to such apparent insensitivity, however, arguing that Mr Botha may be preparing the homeland leaders for major new concessions to urban blacks.

There is deep concern that the current upheavals will further undermine the moderate middle ground in South African politics. Black trade unions, in the vanguard of the reform process since the late 1970s, are now seeing their influence in the townships eroded by more radical community groups.

Bishop Tutu has warned that his own authority over angry young blacks is waning. What would have been significant race policy reforms a year ago may now be interpreted as meagre concessions under domestic and international pressure.

One of the saddest discoveries for a South African returning home is that family and friends know less about the turmoil in their country than millions of newspaper readers and television watchers in North America and Europe.

The South African Broadcasting Corporation's coverage of the unrest is a disgrace and a tragedy. It has ensured that the vast majority of whites have no appreciation at all of the depth of bitterness and frustration among their black countrymen, nor of the brutal tactics used by the police to put down violence in the townships. Tensions between the police and the more circumspect Defence Force go unreported.

The SABC has mastered the techniques of propaganda—reporting Government reaction to news events rather than the events themselves, providing ample coverage of the damage done by township mobs, but no reporting of police chasing, whipping and shooting blacks. The crumbs of "favourable" comment on sanctions, the state of emergency and the strength of the economy are picked up while the torrent of not-so-good news is virtually ignored.

After ten days in the country, it came as no surprise that the SABC gave greater prominence to Mr Botha's homeland visits than to the deaths and destruction in Durban.

The BBC and the Voice of America would do all South Africans a great favour by setting up powerful medium-wave or FM transmitters in Botswana, Lesotho or Swaziland. Foreign embassies could help bring a broader perspective to events in the townships by actively distributing news on South Africa published abroad to universities, libraries, community groups and even companies and sports clubs.

The Rand Daily Mail, the liberal newspaper closed earlier this year, is sorely missed. Its replacement — Business Day—is aimed, in the words of its editor-in-chief, at "matriculated millionaires." Thousands of other former RDM readers have been pushed into the clutches of the stridently right-wing Citizen.

Any visitor to South Africa who wants to read the other side of the story should make a point of taking the black-oriented papers, the Sowetan and City Press. On the other side of the coin, it's a relief to find that a Toronto newspaper's headline in mid-July that "South Africa's streets run deep in blood" gives a misleading impression. White South Africa may be in a state of shock but it is not in a state of seige.

Although some Johannesburg restaurants have fitted security locks on their doors, the areas outside the troubled townships remain remarkably calm. Black workers and domestic servants still arrive on time each morning. For white, rugby, tennis and bridge matches continue as before.

The observation by a colleague several years ago that "it all seems so normal" still applies to the average white family. Even in a relatively small community like the diamond mining centre of Kimberley, whites' only clue that something is amiss is word that members of the local Defence Force commando have been summoned for township duty.

Seen from Johannesburg or Cape Town, the sanctions now looming against South Africa are more of a challenge than a threat. A senior manager of a foreign-owned electronics company enthusiastically describes his participation in a Government-sponsored project for the local manufacture of computer hardware.

An engineer employed by one of several sanctions-busting front companies set up by the Defence Force can no longer travel to Britain since Pretoria's refusal last year to return four of his colleagues for trial in the U.K. on arms smuggling charges. But his travels elsewhere continue, without his family knowing where he goes.

Yet the calm and bravado are only one side of the coin. A rash of sales in clothing and furniture shops, the black urchins and beggars hanging around suburban shopping malls and the half-empty restaurants at lunch time are reminders that the country is passing through its deepest recession in half a century.

Businessmen's political antennae have become more sensitive as the trouble in the townships starts to have a direct impact on their income statements. The boycotts of white businesses in the Eastern Cape are the best-known example, but there are others with potentially wider repercussions.

A shoe manufacturer grumbles that the weak Rand would help push up exports to the U.S., were it not for American regulations which require a "Made in South Africa" label on every shoe. A packaging company's South African roots recently forced it to abort a proposed acquisition in North America.

One furniture retailer complains that the damage caused by the recession is compounded by the difficulty of repossessing unpaid-for articles in the strife-torn townships—perhaps a case of divine justice when one recalls the long exploitations of uneducated black buyers by some unscrupulous white merchants.

Even an expatriate South African leaves the country as confused as when he arrived. In the past few days, hopes have risen and fallen again that Mr Botha will unveil significant new reforms. At the same time, violence reached new heights in Durban, and continued in other parts of the country.

Will President Botha be able to stop the violence? Will credible black leaders participate in any new structures he may have in mind? Only the bravest or most foolish dare to predict what will happen next in this maddeningly volatile yet alluringly exciting country.

U.S. envoy and Hussein discuss peace initiative

BY TONY WALKER IN AMMAN

MR RICHARD MURPHY, the U.S. assistant secretary of state for Middle East affairs, yesterday had lengthy talks with King Hussein of Jordan in preparation for a possible meeting with a joint Jordanian-Palestinian delegation that could take place within weeks.

Manoeuvring towards a dialogue between U.S. officials and a joint Arab delegation, representing the Palestine Liberation Organisation's point of view, has entered a critical phase with the Americans apparently nervous about embarking on an uncertain path.

U.S. officials are saying privately that they wish to establish prospects for genuine progress towards peace in advance of an opening dialogue.

After talks yesterday morning between Mr Murphy and Mr Ziad Rifai, the Jordanians issued a statement saying the discussions covered preparations for a dialogue leading to an international conference on the Middle East with the participation of all the parties concerned, including the PLO.

The U.S., however, remains sceptical about an international conference which it believes unlikely to achieve a consensus for a settlement of the Middle East dispute.

Washington favours direct talks between Jordan and Israel on the future of the West Bank, but appears to have accepted that King Hussein is unprepared to consider such a step without direct Palestinian involvement and comprehensive Arab support.

Mr Murphy is scheduled to leave today for Israel and Egypt to continue his round of consultations in preparation for the meeting between American officials and the joint Palestinian - Jordanian delegation.

It is expected he will return to Amman by early next week for further discussions or even the long-awaited meeting.

Mr Hanna Siniora, a Palestinian newspaper editor, from Jerusalem, and one of those mentioned as a possible member of the joint delegation, is confident the meeting will go ahead soon.

Mr Siniora, whose newspaper, Al Fajr, is pro-PLO, expects there will be a number of meetings with the Americans stretched over several months. Both sides, he said, had hurdles to overcome.

The primary aim of the meetings, he said, was to get "normalisation of a sort" between the PLO and the U.S. This would lead to the second stage of the process which would involve all parties to the dispute, including the PLO who would be there "in full force."

Mr Siniora described the possibility of talks between U.S. officials and a joint delegation as a breakthrough.

"We are already seeing a breakthrough," he said. "For the first time in the history of the (Middle East) conflict, the Palestinian side is being consulted and is participating, and this is a major shift in U.S. policy."

A first-person account of the terror-filled flight of JAL 123 was given yesterday by one of the four survivors, an off-duty JAL assistant purser, Miss Yumi Ochiai, pictured above being taken from the crash site on Tuesday.

The following is a translation of Miss Ochiai's account, provided by JAL executives. Her comments were made to reporters by senior JAL executives speaking at the hospital in Fujioka where she is recovering from serious injuries along with three other survivors.

"I was sitting in seat 56C, reading a magazine. Everything was normal. At 16.25 (13 minutes after take-off), I heard a loud bang and felt pain in my ears.

"The whole cabin filled with a white mist and a vent under the cabin crew seat started to work. I noticed damage above a rear lavatory and the emergency oxygen masks fell down.

"A pre-recorded message came on about how to use the masks. The aircraft started to pitch and roll. (This lasted for more than 10 minutes.) I looked out of window and saw Mount Fuji on the left-hand side and assumed we were returning to Haneda (airport). (There were no cockpit announcements.)

"After about ten minutes of breathing through the oxygen masks, the air stopped, but I could still breath. There were still no cockpit announcements, but the purser told the passengers to put on life vests and adopt emergency sitting positions. I helped the stewardesses to do this and then went back to my seat.

"Then there was a sudden deep rapid plunge, followed by two or three violent shocks. Some seats flew up in the air and I was covered by a seat that had broken away. (When the plane crashed.) I felt a terrible pain in my stomach. I unbuckled my seat belt, but couldn't get out between two seats. There was no fire near me. I saw a helicopter but it didn't see me. I finally fell asleep and was woken up when I heard a man's voice."

Elysee Palace to sue over Greenpeace plot allegations

BY DAVID MARSH IN PARIS

THE Elysee Palace has promised to sue a French magazine which has alleged that a key aide of President Francois Mitterrand was involved in a plot to attack the Greenpeace flagship Rainbow Warrior sunk in Auckland harbour, New Zealand, last month.

The move is the latest development in a war of opposing and increasingly bizarre theories advanced by the French Press over the bomb raid.

Suspicions of involvement by either mainline or mercenary elements of the French secret service in the events leading up to the attack on the ship have been hardening considerably in Paris this week.

Newspaper stories of involvement—either singly or collectively—by the CIA, KGB, MI6 and the intelligence agencies of the U.S., Soviet Union and Britain, have, however, started to strain readers' credibility.

President Mitterrand last week ordered an inquiry into possible secret service participation. M Bernard Tricot, a former aide to President de Gaulle, who is heading the investigation, has already started interviewing officials at France's international intelligence agency, the Direction Generale de la Securite Exterieure.

On Tuesday he saw M Charles Hernu, the Defence Minister, who broke his silence by remarking to a group of journalists that his conscience was "serein" over the affair and that he hoped that the "truth would come to light."

Sandy Sonthon-Perry adds from Wellington: A couple calling themselves Sophie and Alain Tureoage were remainded without bail by an Auckland court until November 4 after being charged with the murder of the Rainbow Warrior crew member, wilful damages and conspiracy to commit arson.

Car bomb in Beirut kills 10

BY NORA BOUSTANY IN BEIRUT

A CAR bomb in Beirut killed at least 10 people and wounded over 70 in a low-income Christian neighbourhood yesterday.

The explosion of a beige booby-trapped Mercedes 280, brought down the front of a high-storey building and damaged five other apartment blocks. Red Cross staff, civil defence workers and Christian militia men rushed to the scene to rescue residents, including women and children trapped in the upper floors.

Hospitals in the Christian-controlled sector of the Lebanese capital appealed for blood donations as casualties were brought in for treatment.

The bombing followed an escalation of fighting between Moslem and Christian militiamen across the mid-city green line. About 30 people have been killed and 150 wounded since the weekend. State-run Lebanese television showed film of charred bodies and limbs recovered from the wreckage caused by the blast.

Lebanese Moslem and Christian opposition leaders met in the central Lebanese town of Chtaura last week to formulate a programme for political reforms, under the sponsorship of Syria. Instead of initiating dialogue, recent political moves, which have also included an alliance between Mr Suleiman Franjieh, a former President, and Mr Elie Hobeika, Christian militia commander, appear to have increased sectarian friction.

Successor to Komoto named

BY CARLA RAPOPORT IN TOKYO

MR YASUHIRO NAKASONE, Japan's Prime Minister, yesterday named the successor to Mr Toshio Komoto, the top Cabinet minister who resigned in the wake of the collapse of Sanko Steamship earlier this week.

Mr Takao Fujimoto, 54, will become state minister without portfolio and director-general of the Okinawa Development Agency. However, Mr Komoto's other important role, manager of external economic affairs, will be passed on to Mr Ippei Kaneko, director general of the Economic Planning Agency.

The split of responsibilities between the two men means that Mr Komoto's powerful position within the Japanese Cabinet has been, in effect, diluted.

Mr Komoto, however, shows no signs of relinquishing his position as a leader of one of the factions of the ruling Liberal Democratic Party. Mr Fujimoto is a member of Mr Komoto's faction and heads the ruling party's public relations committee. He formerly served as parliamentary vice minister for science and technology and the environment.

Mr Komoto was the founder of Sanko Steamship and although he had resigned from the company years ago, he remained as its largest individual shareholder.

Mr Komoto's role of manager of external economic affairs, now handled by Mr Kaneko, also covers the management of government land holdings as well as a watching brief on administrative reforms which could improve the vitality of Japan's private sector.

Rumours of rebels' march causes panic in Kampala

UGANDA'S new rulers yesterday denied reports that National Resistance Army (NRA) rebels had captured the key town of Masaka but rumours that the guerrillas were marching on the capital caused pandemonium yesterday afternoon, **Reuter reports from Kampala.**

Brig Zedi Maruru, a member of the ruling Military Council set up after the July 27 coup, told a news conference that the rebels had not captured any town.

Yesterday travellers returning from Masaka, some 80 miles south-west of Kampala, said that the town, Uganda's third largest, was overrun on Saturday night by the NRA.

But Brig Maruru said that the Government still controlled the town and Mr Paul Ssemogerere, the Internal Affairs Minister, told reporters that the situation there was normal.

There was panic in the capital yesterday when rumours swept the city that the rebels were marching on Kampala. Residents closed shops, offices and bars and headed home in confusion. The capital, since the coup ended former President Milton Obote's four-year rule, has been very tense, but yesterday was the most nervous since the army takeover.

Zimbabwe oil pipe blown up

THE pipeline between the central Mozambique port of Beira and eastern Zimbabwe was blown up by rebels on Tuesday, a government minister said, **Reuter reports from Harare.**

Mr Ernest Kadungure, the Minister of State for Defence, told parliament Tuesday evening that the pipeline was being repaired by Zimbabwean troops.

He gave no other details and the extent of the damage was not known.

Land-locked Zimbabwe relies for virtually all its fuel needs on the 150 mile pipeline and has about 3,400 troops in Mozambique protecting strategic installations vital to this country's economy.

Pakistan prepares for Benazir

PAKISTAN tightened security for the planned return from exile of opposition political leader Miss Benazir Bhutto, police said, **Reuter reports from Karachi.**

Miss Bhutto, daughter of executed Prime Minister Zulfikar Ali Bhutto, is expected to return with the body of her younger brother Shanawaz, who died in France last month, within the next week.

Shanawaz, 27, who was found dead in his apartment in the southern French town of Cannes, will be buried in the family graveyard outside Larkana, 200 miles north of Karachi in Sind province.

Police said the authorities had alerted security and para-military forces at Karachi airport, where workers of Bhutto's banned Pakistan People's Party (PPP) plan to assemble for her arrival.

Miss Bhutto has been living in self-exile since military authorities freed her from 34 months of detention in January last year. PPP members say she will attract huge crowds on her return.

Miss Bhutto was arrested in March 1981 after the hijack of a Pakistani airliner to Kabul and Damascus which was blamed on the al-Zulfikar urban guerrilla group led by Shahnawaz and his elder brother Murtaza.

Libyan expulsion of workers denounced by Tunisia

BY FRANCIS GHILES IN TUNIS

LIBYA has expelled 7,500 Tunisian workers recently in line with its policy of trying to force foreign Arab labour to take on the nationality of the Libyan Jamahariya and also to reduce the number of expatriates employed there.

For the past three nights Tunisian TV and radio have been giving full coverage to the exodus which was denounced at the weekend by Mr Mohammed Ennaceur, Minister of Social Affairs.

"It is one thing if people can no longer work, that there is unemployment, but that people can be treated in this way, and with such brutality is completely unexpected," he was quoted as saying.

There is anger here over the manner in which the Libyan authorities are handling the expulsion, in particular the systematic confiscation of passports, but also at its timing when Tunisia is facing serious economic and social problems.

A further 5,000 Tunisian workers out of the 90,000 or so in Libya have also been ordered to leave. The workers in Libya provided the livelihood for about 400,000 relatives in the south of the country but have been forbidden to remit more than 300 Tunisian dinars (£277) each annually.

The tough Libyan move came at a time when the Tunisian Government is taking severe measures to contain its trade deficit, to limit the country's foreign debt and to tackle other economic problems.

There is a clear and bitter political motivation behind the expulsions, in the opinion of observers here, which date back to Col Muammer Gadaffi's resentment over the way his move to unite Libya and Tunisia was thwarted in 1974.

In a recent interview with the Tunisian weekly Réalitiés, the Libyan leader asked: "How can an Arab ally himself with the U.S. which is an enemy of Libya?" This was an apparent reference to President Habib Bourguiba's state visit to Washington in June.

The expulsion of Tunisian workers from Libya, especially if it continues can only make the task of Mr Mohammed M'Zali, the Prime Minister, more difficult. Although he has been helped by one of the best crops since 1945, which will reduce the need to import cereals to virtually nil, and a 10 per cent increase in hard currency receipts from tourism so far this year, he faces a very difficult task.

The population, since the bloody bread riots of 1984, appears morose and increasingly disbelieving of what its leaders preach, and pushing through an austerity package will be difficult.

With hard currency reserves running at an estimated one week cover of imports, it is hardly surprising that rumours of a devaluation of the dinar should be circulating in Tunis. Many people believe that both the World Bank and the International Monetary Fund have privately recommended such a move, even though each institution has a different figure in mind.

AMERICAN NEWS

American Airlines pilots move to end two-tier wages

BY TERRY DODSWORTH IN NEW YORK

PILOTS at American Airlines, one of the largest U.S. domestic carriers, have taken steps which could lead to the elimination of the two-tier wages system introduced in their contract two years ago.

The American Airlines contract was a pace-setting deal in the industry. More than any other agreement, it established the concept of two-tier wages, in which new employees enter a company at a significantly lower pay level. Many other airline companies have since copied the idea in an attempt to push down costs at a time of fierce price wars in the U.S. industry.

The company has refused to discuss details of the amendment to the contract, which is due to expire next year. But the Allied Pilots Association has confirmed that the new provision allowed for higher wages for low seniority pilots, and that it could eventually mean the ending of the two-tier wages structure.

"The principle has been established that the parties want parity," said Mr Ralph Harkenrider, a union official.

A similar conflict over the question of two different pay scales for pilots played a significant part in the pilots' strike at United Airlines, the largest U.S. carrier, earlier this year. In addition, TWA, the transatlantic airline which is currently the subject of a takeover battle, has also given notice that it intends to try to negotiate two-tier wages for all its unions later this year.

There has been enormous opposition to tha system among unions in the U.S., but management has won considerable concessions at a time when organised labour has been forced to make job protection the primary aim of negotiations.

AT&T expected to make sizeable cuts in staff

BY OUR NEW YORK CORRESPONDENT

AT & T, the U.S. telecommunications group, is expected to make sizeable staff cuts in its office telephone equipment and computer subsidiary in a further cost reduction campaign.

The parent company refused to comment on its plans yesterday, but stressed its continuing effort to "drive costs out of the business," and said that it was widely recognised that more had to be done to achieve this aim.

"We have been talking to employees . . . and when we have decided what can be accomplished, they will be the first to know," the company said.

Wall Street analysts, who have criticised AT & T for not tackling its cost problems more radically, believe that the redundancies may amount to well over 5,000 in the group's Information Systems subsidiary. The division currently employs a total of around 118,000.

AT & T's cost-cutting drive is one more sign of fierce competition in the U.S. telephone equipment market. Driven by the twin influences of deregulation and convergence between telephone and computer technology, prices are falling rapidly, and a large number of competitors jockying for position.

U.S. Navy lifts General Dynamics contract ban

BY WILLIAM HALL IN NEW YORK

GENERAL DYNAMICS, the biggest U.S. defence contractor, which has been under attack for overcharging on important defence contracts, appears to have settled its differences with the U.S. Government.

The U.S. Navy lifted its three-mounth-old suspension on Tuesday on the award of new contracts to the company, clearing the way for the announcement of $892.2m in new contracts for a Trident submarine, Stinger missiles and other defence systems.

In settling with the Pentagon, General Dynamics paid $676,283 to the navy in damages arising from gifts to Admiral Rickover.

In addition, it dropped requests for $55m in overhead claims and established a new code of company ethics.

The navy is still negotiating with the company on 30m of charges but feels that this should not delay the award of new contracts any longer.

The settlement with the U.S. Navy of the overcharging and related allegations means that General Dynamics has now cleared up virtually all of the problems which led to a near breakdown in relations between the U.S. Government and its major supplier earlier this year.

Last month, the U.S. Defence Department lifted its suspension on payments of overhead expenses on General Dynamics government contracts.

Trade restrictions move

PITTSBURGH – America's major trade union organisation is asking Congress to pass trade restrictions to protect American jobs in the face of a trade imbalance affecting a growing number of regions and industries, AP reports.

Mr Lane Kirkland, president of the AFL-CIO, said yesterday that imports had damaged the lumber industry in the north-west, farm equipment manufacturers in Illinois, oil refineries in Oklahoma and steelmakers across the country.

"The AFL-CIO does not seek an end to trade or a wall around the U.S.," Mr Kirkland said. "We seek a government policy that acts to halt America's decline, promotes economic and social growth in America and recognises that there are costs as well as benefits to trade."

Poll finds majority in U.S. against Star Wars

By Reginald Dale, U.S. Editor in Washington

A MAJORITY of Americans (53 per cent) disapprove of President Ronald Reagan's plans to develop a Star Wars anti-missile defence, while only 41 per cent approve, according to a Washington Post/ABC news poll published yesterday.

The poll's findings differed sharply from the results of earlier surveys, which showed widespread support for a defence against nuclear attack. It appeared to underline once again the importance of the phrasing of questions on the complex and controversial issue.

Before asking for an opinion, the latest poll gave respondents a contentious summary of the arguments for and against Star Wars, which did not accurately reflect the Administration's position. In another question, it then drew attention to the 1972 anti-ballistic missile (ABM) treaty restricting the development of space-based and other missile defences.

In that light, only 26 per cent of all those polled said that they supported development of space-based weapons if it meant violating or abandoning the ABM treaty. A Finkelstein poll earlier this year found that 85 per cent of Americans did not know of the treaty's existence.

The Finkelstein poll, which asked the simple, but equally loaded question, "Do you want the U.S. to defend Americans against Soviet missiles" recorded a 90 per cent "Yes." A poll conducted for the right-wing Heritage Foundation in May showed almost 70 per cent support for the star wars programme, even if it meant that the U.S. would have to renegotiate or withdraw from existing arms control agreements.

The latest poll, however, produced striking evidence of a wide "gender gap" on the issue, with 54 per cent of men approving of a defensive system, against only 30 per cent of women. Sixty-three per cent of women disapproved, compared to 43 per cent of men.

Meanwhile, Mr Larry Speakes, the White House spokesman, said that "a very sophisticated Soviet public relations strategy", on star wars and other arms control issues, had unfolded in the months since Mr Mikhail Gorbachev took over as Soviet leader in March. He added, however, that the U.S. had nothing to fear if it stuck to Mr Reagan's policy, and that the "re-hashed" Soviet statements did not hold water on closer examination.

Mr Speakes was commenting on an unusual three-quarter page advertisement in Tuesday's New York Times paid for by the Soviet Embassy in Washington. It put the Soviet case on arms control, in the form of a translated reprint of a Pravda editorial, under the heading "what holds back progress at the Geneva talks?"

A State Department spokesman said that his only comment was to say that to the best of his knowledge, "we have not had similar success in placing ads in Pravda." He later added that he did not mean that the U.S. Government had actually tried to do so.

Nicaragua snubs Miskito Indian leader

BY TIM COONE IN MANAGUA

THE Nicaraguan Government has rejected a proposal by Sr Brooklyn Rivera, the leader of the Miskito Indian guerrilla organisation Misura Sata, to renew peace talks in Colombia.

Commander Tomas Borge, the Minister of Interior, said on Tuesday that Sr Rivera's preconditions — that the talks be held in Colombia rather than Nicaragua, and that the Autonomy Commission for the Atlantic Coast be dissolved— were unacceptable. The commission has been set up by the Government to consider giving some form of autonomy to the Atlantic Coast peoples over local government and income from natural resources.

Talks between the Government and Misura Sata were initiated in Colombia last December but have made little progress. Sr Rivera has been insisting on being the principal representative of the indigenous communities on the Atlantic coast in future talks. The Government says Sr Rivera is only one of a number of leaders and he should therefore negotiate as a participant in the broader Autonomy Commission.

Last witnesses give evidence at trial of former Argentine rulers

BY JIMMY BURNS IN BUENOS AIRES

THE LAST witnesses to give evidence at the trial of Argentina's former military rulers filed through court yesterday paving the way for the final stage of proceedings which are expected to last at least until the middle of October.

Over 1,000 Argentines have given evidence in the trial of the nine members of three juntas which ruled Argentina between 1976 and 1982. Since the trial began on April 22, the majority of the witnesses have been called by the prosecution in an attempt to prove the responsibility of the accused in some 700 cases of human rights violations — a sample of the 8,000 plus Argentines alleged by a government-backed report and human rights organisations to have "disappeared."

This first stage of the trial was expected to have lasted several weeks longer with more than 2,000 Argentines originally due to appear in the witness box.

But Sr Julio Strassera, the chief prosecutor, has cut short the list having apparently decided that evidence collected so far is conclusive in documenting nationwide human rights violations against a wide cross-section of society.

The charges against the juntas include illegal detention, torture, robbery, murder, breaking and entry, the falsification of public documents. They carry maximum sentences of 25 years to life.

Following a two-week recess beginning today the prosecution and defence will be given about a month to summarise their cases. But political factors are expected to determine just how long the six-man court-martial board will take before reaching a verdict and dictating sentence.

The final stage of the trial will take place against the background of key mid-term elections scheduled for November 3.

Government officials are torn between those who would like to use the condemnation of the juntas as campaign ammunition and those who feel that President Raul Alfonsin would be better advised to have the election behind him before tackling the sensitive post-mortem of the trial.

Most political observers expect guilty verdicts to be passed at least against the first two juntas headed by former Presidents Jorge Videla and Roberto Viola.

President Alfonsin will then have to decide whether or not to pardon the accused. He also has to decide what to do with hundreds of middle ranking and junior officers who have not stood trial but who have nevertheless emerged over the last few weeks as guilty of human rights violations for having carried out the orders issued by the juntas.

UK NEWS

Rail union to step up disruptive action

BY BRIAN GROOM, LABOUR STAFF

LEADERS OF the National Union of Railwaymen (NUR) were yesterday drawing up their plans for further industrial action over the introduction of driver-only trains, as disruption continued around the country.

The union is expected to decide tomorrow on the wording of the national ballot of 11,500 guards scheduled for August 29. Though a militant faction on the executive wants an all-out strike, the majority may settle for prolonged selective disruption.

A debate appears to be taking place within the NUR about whether to include on the ballot form a clause stipulated by the Trade Union Act 1984, warning members that their action would be in breach of employment contracts.

British Rail has threatened to sack 270 guards in South Wales and Scotland if they do not agree by midday tomorrow to return to work and obey management instructions.

Further evidence emerged yesterday that BR sees this as a make-or-break dispute for future productivity measures, and is determined to force the NUR to accept the introduction of driver-only trains.

It wants the union to recall its conference and reverse a policy established two years ago. This was "not to enter into any further talks on productivity to include any proposals to extend driver-only operation of trains."

One senior rail exective said: "Unless we modernise our system and make ourselves more competitive against the coach, the lorry and the private car, we will go under because we will be seen as poor value for money."

The board is angered by the NUR's decision to pay £15.70 a day to men who have walked out. Another executive said: "It has reached the stage where the men have to decide whether they are employed by the union or BR."

There is no sign of negotiations. Mr Jimmy Knapp, NUR general secretary, spent two hours yesterday with Mr Norman Willis, Trades Union Congress general secretary, to keep him informed rather than seek the TUC's help to resolve the dispute.

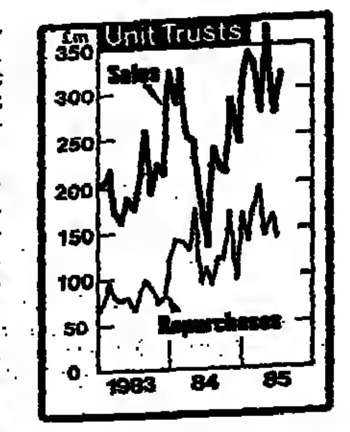
The NUR claims that driver-only trains are unsafe. BR claims that they are in some ways safer, because the driver will have a radio link

Union on its guard, Page 8

Unit trusts enjoy sales boom but pickings are thinner

BY GEORGE GRAHAM

UNIT TRUSTS are enjoying a golden summer. Sales are running at a level 30 per cent higher than last year, and the £16bn industry has at last won back investors in the numbers it knew 15 years ago.



Investors bought £319m of units last month – a record for July – according to figures released yesterday by the Unit Trust Association. Allowing for units cashed in, net sales still reached £172m, another record for July.

The number of unit holder accounts rose to 2.45m, topping the previous highest figure of 2.4m recorded in 1970, before unit trusts lost favour with the public as stock markets tumbled.

While the unit trust industry is booming, the pickings are now spread more thinly. In the last year 100 new unit trusts have been launched, bringing the total to 743. The number of fund management groups has also multiplied. Prudential Assurance, which attracted £35m when it launched its new range of unit trusts earlier this year, was only the largest of many insurance companies to enter the field.

The movement accelerated with the abolition of life assurance premium relief in the 1984 budget, but the biggest incentive has been profitability. "Volume is growing very sharply, and you can actually make money," commented one City of London analyst.

Since 1979, fund managers have been free to increase their annual charges from the ½ per cent previosly stipulated by the Department of Trade and Industry; all the leading groups have now raised their fees to ¾–1¼ per cent a year, boosting their own profits significantly. As competition for unit sales intensifies, however, initial charges are providing less revenue.

Fund managers report that their margins are being squeezed as they are forced to pass on more of the 5 per cent front-end fee to brokers as commission and marketing allowance.

Car sales in August may set new record

IF THE present pace of August new car sales is maintained, the 1983 record of 374,599 could be broken, according to the Society of Motor Manufacturers and Traders (SMMT).

Figures for the first 10 days sales issued by the SMMT yesterday showed 202,310 registrations, 7.4 per cent up on last year although still slightly behind the 1983 level.

All the big manufacturers, however, are running substantial incentive campaigns this year. There is a fairly widespread opinion in the trade that the fall-off in sales which normally takes place in the last half of August will be less marked than in previous years.

There is traditionally an upsurge in UK private car sales in August because a new letter is then introduced on registration plates – this year it is "C".

An example of the strength of sales is given by an Austin Rover dealer, Appleyard. A target of 300 cars had been set up for the month and at the end of the first 10 days, the dealer had sold 250. Appleyard expects substantially to exceed the original target.

At the end of the 10 days, Ford remained the clear leader with a market share of 28.82 per cent, Austin Rover had 17.29 and Vauxhall 15.78. The top selling car was Ford's Escort, with its Fiesta in second place and the Vauxhall Cavalier third.

□ A PIONEERING agreement between Barclays Bank and the Equal Opportunities Commission (EOC) has been drawn up for the monitoring of sexual discrimination.

The EOC and Barclays have drawn up a formal agreement on recruitment policy which also covers promotion prospects and equal opportunities within the bank.

Barclays employs 74,000 workers in the UK, of whom 60 per cent are women. Of these, only 44 are managers of the bank's 2,900 branches (2,300 of which have their own management). Women occupy only 5 per cent of jobs classified as management.

The agreement came after the commission investigated a complaint made in April 1983 by a young woman who had applied for a job at a Barclays branch. She had been turned down in favour of a young man, similarly qualified from the same school.

□ TECHNICANS and other staff throughout the independent television network are to be asked to vote on possible industrial action in protest against a 6 per cent pay offer which the employers say is final.

The vote, probably to be taken at shop meetings over the next few weeks, will be reported to national officials of the Association of Cinematograph, Television and Allied Technicians (ACTT) by September 4. The move follows a series of meetings between the ACTT and the Independent Television Contractors Association, in which no improvement in the 6 per cent offer was obtained.

□ THE HIGH COURT hearing of Sir Freddie Laker's appeal against the proposed Laker Airways anti-trust settlement was adjourned until Friday.

The appeal, which is being opposed by counsel for Mr Christopher Morris, Laker Airways' liquidator, is being heard in closed court before the Vice-Chancellor, Sir Nicholas Browne-Wilkinson.

No reasons were announced for the adjournment, which appeared to surprise most parties. Judgment had generally been expected yesterday after a two-day hearing.

□ BRITISH AEROSPACE (BAe), has applied to the Department of Trade and Industry for more public money to prove ideas for a recoverable satellite launcher rocket to be powered by a novel Rolls-Royce engine.

The rocket could have half the launch costs of the U.S. Space Shuttle and cost "in excess of £500m to develop," BAe says. The rocket is designed to take-off and land automatically on conventional runways similar to those used by the Concorde supersonic airliner.

Better job prospects seen by companies

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE PROSPECT for jobs may be improving, the Association of British Chambers of Commerce says on the basis of its latest survey of nearly 2,000 companies.

The second co-ordinated survey of regional chambers – in the April to June period – suggested that employment was likely to increase in all areas except Merseyside in north-west England. The proportion of companies expecting to hire more people was higher in most regions than in the last survey at the beginning of the year.

The association emphasises that its results need to be interpreted with caution, partly because this is only the second such survey. The results show that optimism about future growth of exports has become much more subdued now that the pound has recovered from the low levels of earlier in the year.

The latest official figures published by the Department of Employment yesterday show a marked slowing down in the rate at which manufacturing jobs were being shed between the first two quarters of the year.

In the second quarter, the total number of people employed in the sector fell by 7,000 (adjusted for seasonal variations) to 5,380. This followed a fall of 27,000 in the first quarter.

The figures also showed that average earnings rose by an underlying 7½ per cent in the 12 months to June, a rate which has been unchanged since last July.

Fight to rescue steel jobs

UNION LEADERS in Scotland and Wales yesterday launched a joint campaign to save steel jobs which could include industrial action, writes our Labour Staff.

They condemned British Steel's latest plans for the industry which include the closure of Gartcosh finishing mill in Lanarkshire, Scotland, and the Alpha strip mill at Newport, South Wales.

Mr Norman Lamont, Industry Minister, told Scottish MPs that the decision to shut Gartcosh, with the loss of 700 jobs, would not be reversed.

The unions' campaign will concentrate on persuading the Government to re-negotiate the 1980 EEC steel quotas which, they claim, have been ignored by European competitors.

Supercomputer plan urged to upgrade university research

BY ALAN CANE

A £47.5m plan, phased over five years, to equip Britain's research community with the most advanced computing facilities has been put forward by a group of leading academics.

The group, a working party drawn from the Advisory Board for the Research Councils (ABRC), the Computer Board for Universities and Research Councils (CB) and the University Grants Committee (UGC), warns that the UK is falling behind in research where it previously led because of inadequate computer provision.

It says that, in France, West Germany, Italy, the Netherlands, Japan and the U.S., "impressive new initiatives are being taken to provide universities with the most modern supercomputers, in some cases on a grand scale. There is an urgent need for similar provision in the UK."

The working party, chaired by Professor A.J. Forty of Warwick University, argues in its report, published today, that a national strategy should be implemented to ensure advanced computing facilities with sufficient capacity and continuity of funding to support the very best computational science.

The report recommends that the world's most powerful commercial supercomputer, the Cray X-MP/48 system, should be installed at the Science and Engineering Research Council's Rutherford Appleton laboratory as soon as possible. It says: "To provide a service early in 1987 a decision on funding is needed urgently."

The likely cost of such a system is £15m and it should have a useful life of six to 10 years. A second supercomputer should be produced by 1990 at a probable cost of about £20m, the report says.

Other recommendations include:

- The establishment of an advanced research computing advisory board to advise the principal funding bodies – the ABRC, CB and UGC – of the needs of advanced research computing.
- Enhancement of the universities' high-speed data communications network, Janet.
- The distribution of special purpose machines and powerful graphics workstations to university and research council sites, all linked in a co-operative network to the supercomputer centre.
- The establishment of a national organisation of advanced research computing to ensure effective use of resources and industrial and overseas collaboration.

The plan will be considered by the three commissioning partners in the autumn. If they accept the recommendations, they will have the option of finding the money from their own resources or making a case to the Government for funds.

The report's argument turns on the central position of advanced computing, not only in the computational sciences but in every field of scientific endeavour. The working party, for example, included life scientists, meteorologists and mathematicians.

The report sets out in detail the significance of supercomputing to astronomy, laser plasma physics, the earth sciences, economics and the humanities, among other disciplines.

Pits lose 11.8% of manpower over 18 months

By John Lloyd

THE NATIONAL Coal Board's (NCB) manpower is falling rapidly – it has dropped consistently throughout the past 18 months, a year of which was taken up by the fight against pit closures and for jobs.

Internal NCB figures show that the figures for most mining areas are substantially down.

The total workforce last month is put at 160,600 compared with 190,300 in February last year, a drop of 11.8 per cent.

The once large Scottish coalfield has shrunk to a point where it is now the smallest of the NCB's areas, and there is now a serious prospect of its merger with the North East area – which has also had heavy job losses.

The scale of these losses is the greater when taken together with the fact that the pit closure programme is only in its early stages. Most pits marked for closure are still waiting to go through review procedure, or for local agreement to close.

Nasdim may split to avoid conflict

NASDIM, the National Association of Securities Dealers and Investment Managers, is prepared to split itself into two if that will solve the problems of some of the investment companies which are still looking for a regulatory home within the framework of proposed investor protection legislation.

Mr John Grant, chief executive of Nasdim, said that in any case the association would eventually need to divide itself into the securities dealing and the investment management functions.

"If in order to satisfy certain people's concerns about conflicts of interest it is necessary to divide Nasdim it should be possible to achieve it by January 1, 1987," he said. This is likely to be the deadline set to the new legislation for registration by companies operating in the investment markets.

Having laboured intensively over the past few years to put together the elaborate structure needed to make it an acceptable self-regulating organisation (SRO) under the new legislation, however, Nasdim will not tear itself completely into two.

It envisages that its two functional divisions would share common support services including the secretariat, computer processing facilities and perhaps even an appeals tribunal.

Nasdim is certain to be approved by the new Securities and Investments Board (SIB) as an SRO suitable to be given the delegated powers to register and supervise investment firms and practitioners.

In fact Nasdim appears to be very much the model for the guidelines on the requirements for SROs given in the government White Paper (policy document), published last January, which outlined the new system of regulation of the investment markets.

Its origins stretch back only as far as 1979, when it was established as a trade association called the Association of Licensed Dealers in Securities. Subsequently it was encouraged by the Bank of England to bring in investment managers.

It assumed a more important role when the Department of Trade strengthened its controls over licensed dealers and Nasdim saw the opportunity to become a recognised association under the Protection of Fraud (Investments) Act. This would mean that members of Nasdim would not need to register directly as licensed dealers with the Department of Trade.

*A further article in the series in which **Barry Riley**, Financial Editor, looks at self-regulation in the City of London.*

To qualify, Nasdim first needed to establish a secretariat (Mr Grant was recruited from ICI) and draw up a set of rules which provided no less protection for investors than the department's own licensed dealer rules.

Recognition was achieved at the end of 1983, and membership subsequently soared, with applications running at 50 a month during 1984. In early 1985 there was a further acceleration when the Unit Trust Association decided that Nasdim members would qualify for higher sales commissions, a move that encouraged insurance brokers to join Nasdim.

Membership has now passed 800 – comprising firms and sole practitioners – and the level of applications in hand will ensure that the total rises to at least 1,200 over the next few months. At an average of 3.7 individual practitioners per firm, that would represent some 4,000 individuals.

All this requires a soaring budget. Nasdim's spending reached £320,000 in the year to June this year, is budgeted at £500,000 for 1985–86 and will be running at an annual rate of £750,000 by next summer.

Mr Grant's personal experience of the problems of setting up an SRO makes him sceptical of the prospects for establishing new ones at short notice. Sir Kenneth Berrill, chairman of the SIB, has said that such new bodies must be approved in principle by September this year, and will need to be fully in action by the autumn of 1986 if they are to register their members in time to beat the January 1987 deadline.

According to Mr Grant, until Sir Kenneth recently briefed financial industry representatives there were still people who thought the problem would simply go away, or that exempt status – of the kind enjoyed by certain banks under the existing legislation – would continue.

"There's not been much time for people really to appreciate what they would have to do to set up an SRO," he said.

Nasdim has been talking to various groups. For example, a number of foreign broking houses, belonging to stock exchanges such as New York and Tokyo, are also formed into recognised associations at present, but unlike Nasdim cannot envisage setting themselves up as SROs.

Separately, the Eurobond trading houses, under the auspices of the Zurich-based Association of International Bond Dealers, are exploring their future regulatory options.

The accepting houses, meanwhile, are testing the response from the investment management industry at large to a proposal for a specialist investment management SRO. "We have great difficulty in seeing how they can get their act together," said Mr Grant.

The accepting houses are unenthusiastic about coming into Nasdim, partly because in the past they have enjoyed their own independent status, and partly because their fund management is on a vastly greater scale than the kind of private client portfolio business – often no more than unit trust switching – practised by the average existing Nasdim member.

The fund managers also want to be seen to be free of the conflicts which exist when investment management is paired with securities trading.

Then there are the various small over-the-counter (OTC) traders in domestic unlisted securities, of which the most important is Harvard Securities. One problem is that there are deep divisions between these companies. In particular, one impediment to any deal with Nasdim is that Nasdim has a close historical connection with Granville, also an OTC operator, but with a very different style.

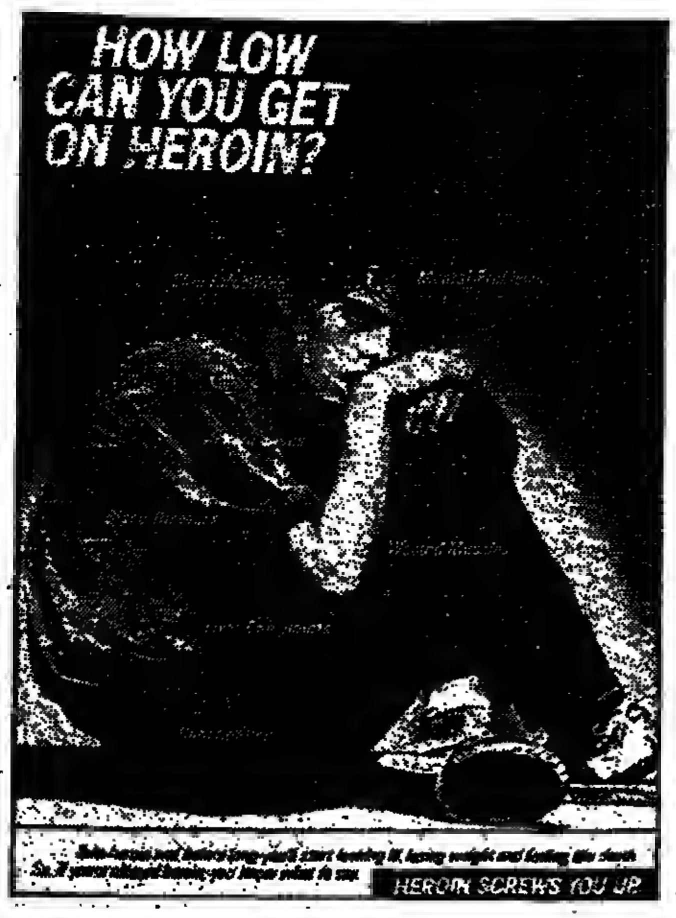
Nasdim has relied heavily on Mr Robin Hodgson, chairman of Granville, who has also been chairman of Nasdim since its inception – although he is about to step down now that he has been appointed a member of the SIB.

To bring in some of these groups, Nasdim has sketched out a plan for a new twin organisation which would have two committees of the ruling council, but with common support functions.

Editorial Comment, Page 8

MANAGEMENT : Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ



The 'dragon' under fire

Feona McEwan on the UK anti-heroin campaign

AT FIRST glance it looks like a spoof. A send-up of the sort of beauty shot that litters women's magazines. But this is no pretty picture. Nor is there anything to laugh about in this ad. The face is baggard, the skin suppurating and the eyes void. Photograph by Clive Arrowsmith. Skin care by heroin.

Another ad cites the equally chilling product "benefits". Impotence, liver malfunction, muscle wastage, constipetion, mental disorders. And in case you're in any doubt the message is apelt out: "Heroin screws you up."

Such shock tactics are the latest salvo in the war on a menace that has reached epidemic levels in the UK. It is the Government's first anti-heroin edvertising campaign.

The advertising brief must be one of the toughest around. For a etart, the message *is a* negative tive one—urging consumers to reject rather than embrace a product. And the andience of 13 to 20-year-old teenagers is cynical, streetwise, and highly critical of advertising.

Add to that the controversy surrounding such n sensitive campaign and any agency would have its work cut out. There was the treatment versus prevention argument (wouldn't it be more beneficial to sink the £2m *budget into treatment of* addicts?); the worry that if the advertising was wrong the spotlight on heroin caused by the advertising would only encourage rather than deter its use; and, anyway, what could advertising achieve that *legislation* could not?

Before any advertising was commissioned, indeed to find out whether such e campaign would carry any clout, a lengthy in-depth qualitative research programme was undertaken around the country, in London, West Midlands, Greater Manchester, Bristol and Reading. Interested parties, including professionals (family doctors, probation officers, secondary school teachers) as well as parents of teenagers and addicts were interviewed.

What was painfully clear from the start, and tha reason for the government initiative, was that heroin was all too freely available on the street, the price was low and the quality high and that the fastest growing consuming sector was the under 21-year-olds.

The research uncovered an *information gap.* While even the most inarticulate youngsters were alarmingly familiar with the symptoms and patois surrounding the habit, there were plenty of misconceptions. Many believed it was possible to remain in control of the drug over tima; that inhaling heroin or "chasing the dragon" was less harmful than mainline injecting.

So an agency was called in by the Central Office of Information at the instigation of the Department of Health and Social Security, to convey some of the lesser known truths about the deadly fashion. Whether or not this will ultimately alter behaviour remains a moot point. The Advertising Association, which makes a habit of studying the evidence, is doubtful. "There is no single piece of research or information," says research director Mike Waterson, "to show that advertising can be successful in forcing big behavioural changes, that is in stopping or starting people doing something.

"That is not to say, however, that a successful public action campaign can't raise awareness of certain things. If you raise the consciousness about the *dangers of heroin* it *may well* have an impact *on* behaviour."

Aware of the pitfalls but undeterred, Yelowhammer (an edvertising agency noted for a virile line in youth advertising. It handles Barclays Supersavers, New Musical Express, Time Out, and the potent Greenpeace campaign) set to work.

Initially the agency tested some 35 basic concepts on the target audience of "at risk" teenagers. These were identified as 13 to 20 year olds who are "potential trialists." They may be teenagers who have experimented with soft drugs and have yet to buy heroin or who have tried it but show no signs yet of being a junkie. Ultimately they are those with certain attitudinal traits (*such* as *boredom, frustration,* alienation) that might incline them towards heroin. It is attitudinal factors rather than eocio-economic ones (i.e. how a person thinks about and views of the world) that are infloential in determining a persoo's susceptibility to heroin.

The campaign is not aimed therefore at confirmed addicts, regular trialists or drug resistant teenagers (this group is immune for attitudinal or ideological reasons for instance). The idea of the advertising is to infoim those et risk, thus altering their attitudes before they reach the brink.

Given the inbuilt scepticism towards advertising of the intended audience, the campaign bad to get it rigbt in every way. That meant the right tona of voice (too authoritarian nr nannyish invoked instant rejection); the right words (oot too long or abstruse—"impotence" was oot widely understood and "pros" and "cons" were taken to mean prostitutes and convicts so it was important to speak their language, bence the gutsy slogan); *and* the right signals, known as tribal signs, (yesterday's fashion in tee-shirts was enough to alienate a teenage audienca).

"The whole aree can be a minefield unless yon take a lot of precautions," says Sammy Harari, account director.

One suggested approach for the advertising went along the lines of "you can get done for it" but this turned out to be more of a challenge than a *deterrent.*

Finally the campaign was whittled down to four press ads, two television commercials ano one poster. Two early press ads which pre-empted the yooth campaign invited parents to respond for *further information* and some 20,000 readily did so. The campaign is running throughout the year, in appropriete teenage media — in magazines like The Face, Kerrang, Blitz and Honey and in TV programmes like The Tube and the teenage-favourite, Hill Street Blues.

The commercials (directed by Ridley Scott of Alien and Blade Runner fame) focus separately on a boy and a girl. The boy is seen over a period *of gradual* decline telling himself, with the self-delusion that is symptomatic of the syndrome, that he is "in control." The girl is shown in similar decline along with the emotive warning that she'll lose her looks, her friends, risk heart failure and so on.

The effectiveness of the campaign will become clearer once a tracking study or any shifts in attitudes, awareoess aod knowledge of the drug has been completed later this year.

American Stock Exchange

Gold gets a big sell

BY PAUL TAYLOR IN NEW YORK

Amex draped its building in gold ribbon for the launch of its Gold Option contract by New York's mayor, Ed Koch

LAUNCHING A new financial instrument — even when it is based on e commodity as well known as gold — is arguably a lot more difficult than selling a new consumer product, like a sliced loaf of broad.

But there are similarities too, as New York's American Stock Exchange *senior executives* discovered when they launched the innovative Amex Gold Option contract in April this year.

It took the Amex almost a decade to bring its new product to *market — a cash-settled* option contract based on 100 fine troy ounces of gold which allows traders and investors to take advantage of a rise, or fall, in tha price of the precious metal with limited risk but high profit *poteotial.*

Like other options contracts, an investor can buy either a gold call or a pnt option at a fixed price for a fixed term. An investor buys a call option if be expects the gold price *to rise and a put option* if he expects e price decline. Both provide the right, but not the obligation, to exercise the contract at any stage before expiry.

If, when the contract is *exercised,* the market has moved the investor's way be makes a profit. If not, the contract usually expires worthless, but the investor's loss is limited to the initial "premium" be paid for the option, *plus commissioo* and other transaction costs. This is e oig selling point for the Amex contract against the more risky gold futures contracts offered by competitors like the New York Commodity Exchange (Comex). With these, investors are committed to complate a transaction no matter what bappens to the underlying price.

In the process of launching the new product the Amex negotiated regulatory hurdles, re-educated its membership and brokers across the nation to deal with and sell a commodity-based product, and discovered the use of "smart" *marketing gimmicks* like a 12-minnte video, a celebrity launch courtesy of New York's mayor, Ed Koch, and a 10-storey-high gold ribbon wrapped around the Amex's downtown Manhattan building oo start-up day.

The Amex conceived the idea of a cash-settled gold options contract in the mid-1970s—when inflation was soaring—but *there was a basic problem.* The Amex had previously only traded securities and security-based instruments under the supervision of the U.S. Securities and Exchange Commission. A gold options contract would *come under a different* regulatory aothority—the Commodity Futures Trading Commission (CFTC) and the CFTC was initially far from enthusiastic.

Nathan Most, the Amex's vice-president of new products and president of the Amex Commodities Corporation (ACC), an Amex subsidiary set up to trade the contract, and e former CFTC official himself, was put in charge of steering the exchange through the regulatory maze required to win approval for the new product.

It was not an easy task. But the Amex persisted and in February 1983 it finally filed for approval for the contract.

A year later the Amex finally got the go-ahead. By then preparations for the launch were in full swing. Once an end to the regulatory process was in sight the Amex options division led by Howard Baker, vice president of the division, took over. He recruited Frank Magnani, an index option specialist from Paine Webber end the New York Futures Exchange (NYFE), to bead the marketing and edncation effort. In *September last* year the Amex completed its marketing plans and strategies.

The Amex spent weeks, and lots of lunches, dinners and meetings drumming up enthusiasm among its own membership for the new product.

To facilitate trading of the new contract the Amex had to redesign its computer system—and persuade its floor brokers to become registered with the CFTC to trade the new instrument.

The Amex also had to encourage the off-floor brokers of member firms to take a CFTC exam in order to qualify to sell the new product. "It was a tremendous educational effort," says Baker.

By October last year the marketing effort moved into high gear. "We decided we needed an upbeat video," says Magnani. The video was to be the centrepiece of the marketing effort aimed et professional traders, brokers and the public.

Six firms bid for the video contract. Two months later the Amex chose Broad Street Productions, e subsidiary of Drexell, Burnham Lambert, the Wall Street securities firm.

By this time the basic structure of the video had beeo agreed by Amex executives. It would start with a two and a balf minute trailer "to set the mood" tracing the bistory of gold as a world financial commodity—a video trip that *shifts* from Ancient Egypt to the American West and even manages to work in e definition of the mythical griffin in the process.

"We were in constant negotiations with the attorneys who wanted to talk about the possible rewards and the probable risks," says Paul Stevens, executive vice president of operations and options, with a smile. But there were other problems as well.

The Amex gold optioo contract price is based on the afternoon London gold fix. But "fix" is a dubious word in America, so it was renamed "the afternoon fixing."

Finally the lead actor, location (the Nancy Hoffman Gallery), and tbe props, including $125,000 in gold bars, were selected. Mocetta Metals, the New York-based gold dealers supplied the props, whicb naturally bad to be insured. In

At the end the video had cost the Amex "in excess of $50,000" but it won ao award for its makers and was shown for the first time at the futures industry association convention in Boca Raton, Florida, in February. Since then tbe Amex has distributed about 200 of tbe videos, mostly to brokers and exchange member firms.

In early April, with the contract launcb just days away, tbe Amex hosted a breakfast for 125 Wall Street senior executives to introduce tbe product and held a gold bullion dealer dinner in the exclusive Windows of the World resteurant at the top of the World Trade Towers.

But like any product the ultimate test is consumer reaction. Amex executives admit trading has been a little slow since the start. Outstanding cootract volume io the new instrumeot has grown to 11,000 contracts.

Nevertheless, they insist the contract is already a success.

TECHNOLOGY

EDITED BY ALAN CANE

Big decisions facing the Eurofighter

NOW THAT the three-nations European Fighter Aircraft (EFA), is to go ahead between the UK, West Germany and Italy, the governments and aerospace industries of the three countries have some major industrial and technological decisions to take.

These include choosing what kind of industrial organisation will control the programme—either the existing Panavia and Turbo-Union organisations set np by tha same three countries to build the Tornado multi-role combat aircraft and its RB-199 engine, or another body; settling precisely the detailed size, shape and performance of tha aircraft; who will build which parts of the airframe and engine, and wbere; how many production lines there shall be, and precisely how much each country will pay.

This is what is known as detailed project definition. The work on feasibility — that is, determining wbether a European fighter was ever possible et all — has already been done in the last two years or so of discussions in an ettempt to achieve a five-nation venture.

Although it has now been broadly settled that the UK and West Germany will have 38 per cent each of the venture, with Italy Ialy 24 per cent, these shares could still be adjusted if other nations, such as Spain, the Netherlands and Belgium decided to join in. It seems unlikely that the French will now do so, preferring to develop their own fighter from their prototype Avion de Combat Experimental (ACX), called the Rafale.

On the three-nation industrial front, there appears to be no reason why the existing Panavia organisation, comprising British Aerospace, Messerschmitt-Bolkow-Blohm and Aeritalia of Italy, could not undertake the task. With an 800-aircraft Tornado programe well under way, of whicb over 400 have now been built, it is the biggest military aircraft manufacturing organisation in Western Europe, with considerable experience behind it.

Similarly, Turbo-Union, comprising Rolls-Royce, Fiat Aviazioue of Italy and Motoren-und Turbinen Union of West Germany, is well poised to undertake the new engine for the EFA, with over 2,000 RB-199 engines for the Tornadn programme, of which over one-third have been built so far.

It is possible that both organisations may need to be amended, to take account of changed circumstances. For example, Panavia and Turbo-Union were placed under the umbrella of Nato bodies — tha Nato Military Aircraft Manufacturing Organisation (Nammo) and Nato Military Aircraft Manufacturing Agency (Namma).

Whether this bureaucracy is essential to any new programme is open to doubt: many in the aerospace industries of the three countries believe it is not, especially now that Panavia and Turbo-Union have built up such a considerable body of experience themselves.

The Panavia Tornado programme went ahead without the construction of a technology demonstrator aircraft. In contrast, British Aerospace, is building an experimental aircraft, the EAP, that is certain to have a crucial role in the design of the Eurofighter.

The EAP could have been tha basic for a UK-only fighter programme, if no agreement had been reached with partners in Europe.

The £165m EAP programme has become more important following tha decision by France to drop ont of the Eurofighter project.

France has its own Rafale experimental aircraft programme and this would have competed with the EAP to become the test bed for ideas that could be used on a European fighter.

Tha British EAP now has the field to itself. "It would be eccurate to say that the EAP becomes tha European fighter aircraft technology demonstrator," says BAe.

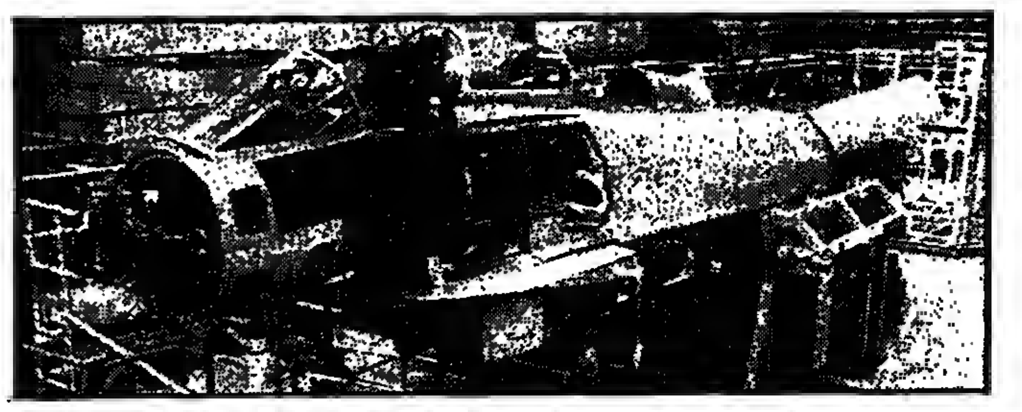
The EAP is to fly early next summer. It has a formidabla array of new technologies that together will revolutionise the new generation of European fighter aircraft.

The EAP has been designed by BAe, with co-operation on equipment from UK, West German and Italian aerospace companies, and it will demonstrate technologies that are likely to change radically the way future combat aircraft fly and are built.

Fifty per cent of the UK costs of the experimental aircraft programme have been funded by the UK Government. The balance has been provided by BAe and its UK-based partners. These include Ferranti, Dowty *Boulton Paul, GEC Avionics,* Lucas Aerospace, Smiths Industries and Rolls-Royce. Aeritalia of Italy also has an undisclosed stake.

Reports by Michael Donne and Lynton McLain

An artist's impression of the experimental fighter (below) and a carbon fibre wing ready for curing inside an autoclave (above)



Fuselage of the experimental fighter under construction at Warton

Plane with a computer at the joystick

THE EXPERIMENTAL aircraft is designed around three main new technologies.

Basic to its concept is the decision by British Aerospace combat aircraft designers at Warton, Lancashire to design the aircraft from the outset to fly in a totally unstable manner. This apparent contradiction is best explained by looking at what happens in conventional flight.

Conventional aircraft are designed to be stable in flight. Any change from e straight and level flight path, such as wben making e turn for landing, involves tha *aircraft moving* against its inherent stability.

This is inefficient eod is especially demanding for fighter aircraft that need to turn rapidly in air combat manoeuvres. The fighter wants to return to the steble condition of straight and level flight.

It follows that if an aircraft is designed from the ontset to be unstable, it will not fly unaided straight and level, but will be amenabla to being tossed around the sky.

The trick is to be able to control the instability artifically, by computer, so the pilot is eble to turn rapidly. He will then have et his disposal a highly manoeuvrable fighter eircraft. BAe says artificial control of stability can improve a fighter's turning rate by 20 per cent.

British Aerospace has perfected such a control system in a modified Jaguar fighter. This aircraft was fitted with an ective control system. This was based oo high-speed computers to stabilise artificially the aircraft after a quarter-tonne of lead weight had been pnt in the tail and wing extensions put oo the front to induce deliberate instability.

As well as providing computer-controlled stability, the active cootrols ensure that the best possible use is made of all the aircraft's aerodynamic surfaces to generate lift. On existing stable aircraft, the tailplane gives no lift because it is helping to give stability.

On an unsteble aircraft, the effect of the tailplane giving positive lift is to reduce tha tailplane size needed by ovar a third and to cut the wing area needed by 10 per cent.

The 15 per cent lower weight wing, with its lower drag, ellows smaller engines to be fitted with reduced fuel consumption.

Active control technology has enabled BAe to design the EAP with no mechanical controls for the pilot. He is entirely dependent on the aircraft motion sensors and the high-speed computers. Sub-contractors for this system are GEC Avionics and Dowty Boulton Paol.

Tha second major area of change is the advanced cockpit. This includes several multi-colour display screens and a hologram head-up display designed to help reduce the pilot's workload to an absolute minimum.

This is thought by BAa to be essential, for the single seat EAP will be smaller and cheaper than curent combat aircraft like the two-seat Tornado, but will have vastly more data for the pilot to handle. This information management used to *require* miles of heavy wiring, but is replaced in the EAP by a databus highway, wblch connects all the avionic subsystems using coded digital information.

The third area of technical innovation is the use of carbon fibre composites for tha entire main delta wing and the twin canards, or "tails" that are fitted under the cockpit at the froot of the aircraft.

The composites give a 20 to 25 per cent weight saving compared with conventional metal wings.

The EAP designers have gooe further by developing e technique to mass prodnce the wing, known as "co-curing." The technique has been developed jointly by British Aerospace engineers at Warton and Italian engineers at Aeritalia, the state eerospace company.

Aeritalia already makes tbe main wings for the Tornado and is a candidate to make tha wings for the European fighter. Tbe EFA is expected to use e new generation of carbon fibre.

Aeritalia is building the entire port maio wing of the EAP. Britisb Aerospace is building the entire starboard main wing. Both will be mated to the EAP fuselage at Warton this autumn.

The co-curing process allows the carbon fibre wing to be made in far fewer stages than is possible with conventional machined and rivetted aluminium wings.

No machining is needed for the carbon fibre wing, which emerges from the autoclave curing oven complete with ribs in exactly the correct final size and shape.

BAe estimates that the technique and the lower weight of the stronger carbon fibre will permit these wings to be mass produced at 15 per cent lower cost than conventional wings and with a higher degree of automation. The biggest saving is in the much reduced time to make tha new wings.

The EAP also uses *on* the wing leading edges aluminium lithium, an alloy that is 10 per cent to 15 per cent lighter and at least as strong as conventional alloys.

Several West German companies are directly involved in tha EAP, including Messerschmitt Bolkow Blohm, with about a 1 per ceot stake. MBB became involved after West Germany pulled out of a previous *scheme* to *build its own* demonstrator aircraft.

Other German companies include Liebherr Aero-Technik, whicb is working with Dowty oo the flyiog control actuators; Teldix on cockpit avionics; VDO Luftfahrtgeratewerk, producing computer software and Litef, producing motioo sensing units.

New engine offers big cost savings

WHEN THE experimental aircraft flies next May, it will be fitted with an improved version of the RB-199 engine, built by Turbo-Union. That organisation stands poised tn undertake the engine work on the new EFA, and all three partner rompanies, but espeelally Rolls-Royce, have been studying future engine needs for sucb an aircraft.

Rolls-Royce, at its Bristol military engine establishment, has been at work for some time on what is ealled XG-40, an advanced figbter engine concept. Litle has been said abont it, beyond the fact that it is specifically intended for the next generation of high-*speed military aircraft.*

This new engine is expected to have a thrust of about 90 kilo-newtons (about 22,500 lbs thrust), which would make it suitable not only for the Eurofighter, bnt also for any eventual improved engine that Tornado itself might reqnire.

Work on the XG-40 covers a wide range of new technology developments, in fans, compressors, combustion turbines, engine controls and new materials capable of withstanding the high temperature nperation of modern military aircraft engines.

These advances, incorporating the researcb of all three Turbo-Union partners, will produce dramatic cost savings through simpler design.

Rolls-Royce says that comparison, for example, between the RB-199 and the EFA engine shows thet the number of aerofoils and compression stages can be redneed by one-third, while the number of turbine stages can be halved. Fewer parts can also reduce *maintenance and overhaul* costs.

Rolls-Royce's view is that a new, bigh-technology engine is mandatory for the EFA. Even had the EFA not gone ahead, sucb an engine would have been needed for any new fighter the UK itself might have decided to build.

NUCLEAR REPROCESSING

The problems of a plutonium surplus

By David Marsh in Paris and John Davies in Frankfurt

WEST GERMAN electricity utilities are in e quandary about what to do with 700 tonnes of spent uranium fuel rods stored under water at France's nuclear reprocessing plant at La Hegue, near Cherbourg

Electricité de France, the state-owned utility in charge of the world's most intensive nuclear power programme, has just decided on a major long term programme of burning plutonium in its network of pressurised water reactors (PWRs).

Similar preparations ere being made by utilities in Japan and Switzerland, which have just been given authorisation from the U.S. to recycle on an experimental basis plutonium originating from American-supplied uranium in their PWRs.

These examples illustrate bow utilities around the world are rethinking their policies on using plutonium.

Thls uniquely hazardous metal, formed as a by-product of reactor operation and separated along with re-usable uranium and radio-active waste products et reprocessing plants like La Hague, threatens to become a product in surplus over the next decade.

This unforeseen imbalance between widening supply and shrinking demand—the result of severe delays in bringing into service plutonium burning fast breeder reactors—could undermine the complex economics of the international reprocessing industry in which utilities collectively are sinking billions of dollars.

To belp solve the problem, some nuclear plant operators like EdF are turning to wbat the French utility admits is the second best solution of burning plutonium in light water reactors (LWRs).

Introducing mixed oxide (MOX) fuel (containing 4.5 per cent fissile plutonium) in place of lightly enriched uranium for about one third of a reactor's fuel rods, this method will require the construction of costly new MOX fuel fabrication plants and will also complicate application of non-proliferation safeguards by the International Atomic Eoergy Agency.

West German utilities, which started relatively early during during the late 1970s to send spent fuel to La Hague for reprocessing, have already emerged as the most widespread user of plutonium for recycling in the country's light water reactors.

Another solution being considered by utilities is simply to defer reprocessing until recovered plutonium may have a more economic use. On the other hand, in current talks over the future of the 700 tonnes of unreprocessed fuel, Cogema, the French state nuclear fuels company which runs the La Hague complex, is trying to persuade German utilities to speed up reprocessing so as to fill spare capacity at the plant during the next few years.

The Germans are understandably taking a cautious attitude over bringing forward contracts not originally scheduled to be carried out until the 1990s.

Overhanging the bargaining —and belping to barden the Germans' ngotiating position—is the Federal Republic's plan to build its own reprocessing plant in Wackersdorf in eastern Bavaria.

The plant is scheduled to open in 1993, but the German anti-nuclear movement has launched an all-out campaign to stymie the project. However, assuming the plant starts up, the German utilities will make full use of their own facility before giving supplementary business to the French.

An official et one of the German utilities which will own Weckersdorf, says there are "clear limits" on short-term reprocessing contracts with the French. Wackersdorf is planned to beve an annual capacity of 350 tonnes of spent fuel—roughly half the annual amounts of fuel to be discharged from German N-plants in the 1990s. This, in theory, leaves plenty of room for the German companies to carry out reprocessing at La Hague as well, unless they opt for the alternative of delaying reprocessing.

This option is in fact being explored as the German utilities are examining the qnestion of interim storage of spent fuel in special sites built in Gorleben in Lower Saxony and planned in Ahaus in North Rhine-Westphalia.

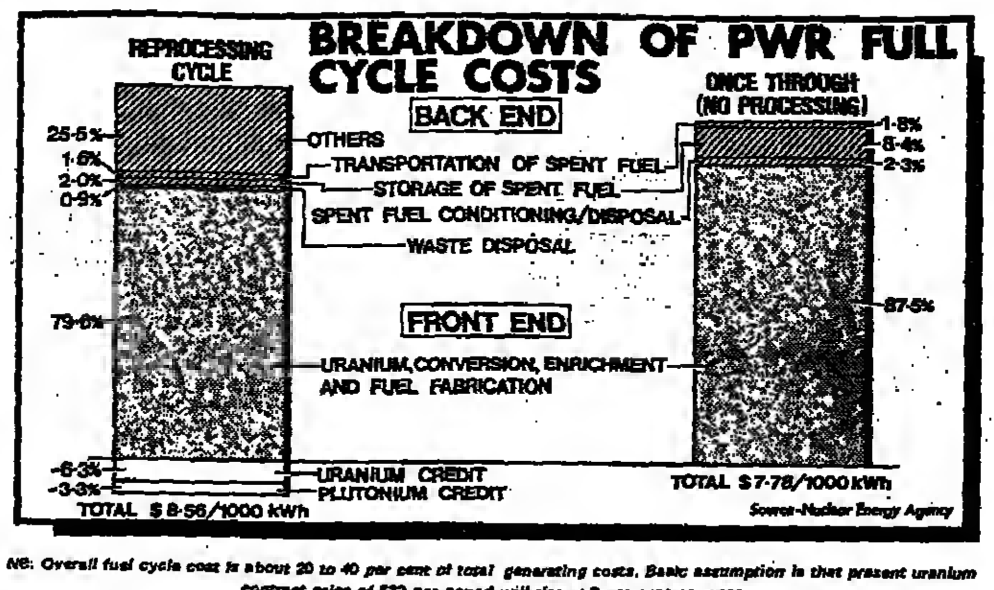
However, there are a number of problems. Use of Gorleben is currently blocked and work at Ahaus has stopped as a result of legal actions brought before the West German courts —an example of the German nuclear industry's permanent susceptibility to legal obstacles which are unknown in generally pro-nuclear France.

Cogema is trying to persuede client utilities to bring forward reprocessing contracts in view of the opening of extra capacity et La Hague. The complex is the world's only commercial plant for reprocessing fuel from light water reactors.

La Hague is now operating at a regular capacity of 400 tonnes of spent fuel a year—compared with Cogeme's earlier forecast of only 250 tonnes

Cogema has already reprocessed about 700 tonnes of spent fuel—yielding 6 to 7 tonnes of plutonium—from German light water reactors out of the 1,200 tonnes of light water fuel it has handled since the plant was built in 1966.

The remaining 700 tonnes of German fuel, stored in giant casks in the La Hague fuel ponds, are at present due to be reprocessed during the 1990s, a period during which the German utlities have signed-up to reprocess abont 2,500 tonnes of spent fuel.



NB: Overall fuel cycle cost is about 20 to 40 per cent of total generating costs. Basic assumption is that present uranium contract price of $32 per pound will rise at 2 per cent per year.

During the decade, plutonium sepration at the plant, at the tip of the Cotentin peninsula, will increase dramatically. In e programme involving the pouring ni of FFr 50bn and 900,000 cubic metres of cement, Cogema is expanding the plant to quadruple capacity to 1,600 to 1,700 tonnes a year by 1990.

The programme, being financed by EdF and Cogema's foreign utility clients, will lead to the plant separating around 150 tonnes of plutonium during the decade. Although the material discharged from light weter reactors is of lower quality than used by the military for making weapons, it is enough theoretically to produce 20,000 atomic bombs.

Puzzlement over the commercial future of plutonium is a side-effect of the general world nuclear slowdown and the prel sent glut of uranium. This itself has caused Cogema'e majority-owned Eurodif uranium enrichment plant in the Rhone Valley to work at only 50 per cent of capacity in the last two years and widespread substitution of plutonium for uranium in LWRs could eventually cut further demand for enrichment.

Bnt the receding of prospects for entry into service of commercial fast breeders—now not likely until the beginning of the next century—poses e question-mark over the choice made by many countries (although not the U.S.) of reprocessing as the main means of disposing of spent fuel and "closing" the nuclear fuel cycle.

"The point of reprocessing is to recover (unburnt) uranium, along with plutonium for fast breeders," says Mr Eric Willis, director of energy research et the Paris-based International Energy Agency grouping Western oil-consuming countries. "If breeders are not going to be around for a while, it's questionable whether reprocessing is e good idea."

At the heart of the problem is plutonium's relatively low shelf life. After it is separated from light water fuel, utilities want to use it relatively quickly — within six months to a year — either in LWR recycling or in fast breeders.

The economic rationale behind reprocessing is that recovered plutonium has a clear value which exceeds the cost of separating it. However, a recent study from the Paris-baser Nuclear Energy Agency, an offshoot of the OECD, and based on enalysis from nuclear specialists from the organisation's member countries, throws doubt on this. The report, which points out that reprocessing costs have quintupled over the last 10 years, concludes that reprocessing is now a less economic option than direct disposal.

The negotiating tussle between Cogeme and the German utilities over the Freneb bid to bring forward reprocessing orders may be one sign of a growing challenge from the Federal Republic to France's dominance in the European nuclear fuels business.

Additionally, keen commercial rivalry over selling reactors abroad has indirectly weakened France's bargaining position over disposal of spent fuel. Germany is now looking harder at the possibility of spending some spent nuclear fuel for disposal to China. This would be part of an offset agreement which could help the Chinese to purchase N-plants from Kraftkerk Union —a deal where KWU is in strong competition with Framatome of France.

Cogema says it welcomes the German decislon to build its own plant. The French company will also probably have a significantly technical role in helping to construct it, and is negotiating a similar deal to help build e planned Jepanese reprocessing facility.

The plans by the two countries, as well as Britain (which is building e new thermal oxide reprocessing plant at Sellafield to edd to the Magnox facilities), "show that they believe closing the nuclear fuel cycle is the right solution," says M Jecques Couture, in charge of Cogema'e commercial reprocessing business.

In the long run, the German bid to lower its dependence on foreign involvement in its nucleer independence—could clearly erode France's competitive position. The outcome, however, will clearly depend on whether the German utilities plans to build up a rival nuclear infrastructure can succeed in the face of a strong anti-nucleer movement and the overwhelming handicap of a lete start in the nnclear game.

BRITISH NUCLEAR Fuels is finding a high level of interest among electrical utilities in recycling plutonium from light water reactors (LWRs), except in the U.S., where there is still strong political opposition to reprocessing and plutonium separation—a legacy from the Carter Administration.

"We find this encouraging," says Mr Alan Johnson, BNFL's commercial director. The company has already made a few tonnes of LWR fuel enriched with plutonium for ENEL in Italy and other utilities to try. "We know how to do it and we know the problems." But it has taken no formal decision to compete commercially with Cogema in recycling plutonium through LWRs.

The CEGB, as BNFL's biggest domestic customer, has been studying the economic case for recycling plutonium as fuel for its advanced gas-cooled reactors (AGRs), but has announced no decision. BNFL has about 17 tonnes of "civil plutonium in store at Sellafield, separated from Magnox reactors and mostly owned by the CEGB. But the economic advantage of recycling it through AGRs may prove smaller than for LWRs.

Interest among utilities in reprocessing also remains high, Mr Johnson says. Utilities generally, he finds, take a long-term strategic view of fuel supplies and see reprocessing as providing greater flexibility than a policy of simply disposing permanently of the spent fuel, as the Swedes are proposing to do.

If plans for the six-nation fast reactor club proceed, by the end of the century, Western Europe could have four big demonstration fast reactors running. At 5 tonnes of plutonium per reactor, the four would require an inventory of abont 40-50 tonnes of plutonium.

The joint proposal by BNFL and the UK Atomic Energy Authority, for a £200m European demonstration reprocessing plant (EDRP) at Dounreay to serve the four reactors, has government backing. The British partners must persuade the fast reactor club—specifically, Cogema and DWK in Germany, as the main reprocessing interests—that Britain has made a strong case with EDRP. The French are expected to contest Britain's claims with its own plan for the MAR 600 plant at Marcoule.

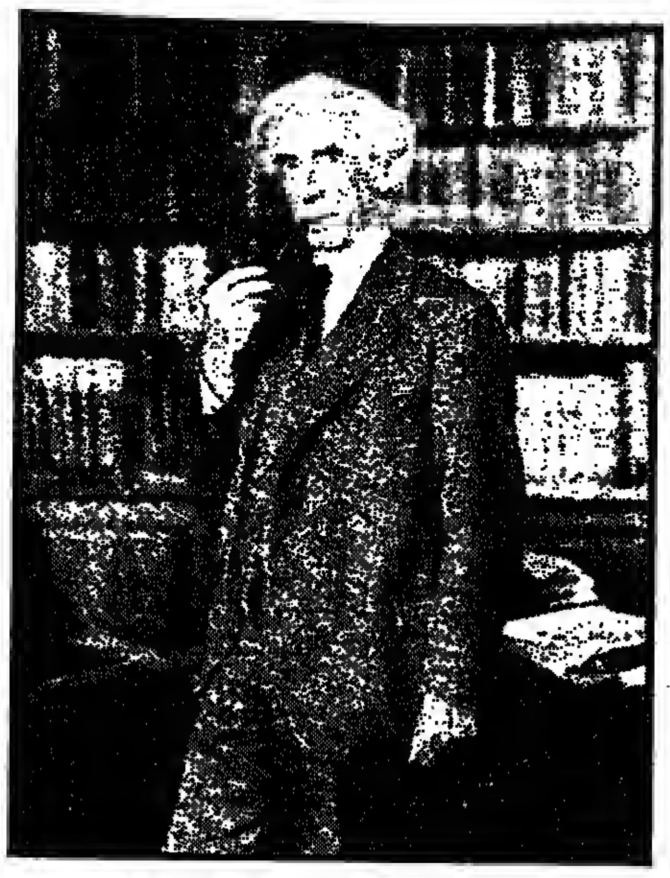
THE ARTS

Exhibition/Colin Amery

Photographer of Men

Howard Coster, who was born 100 years ago, always called himself "Coster, Photographer nf Men." He saw the portrait photographer's mission as a serious one—in its way akin to the work of the old master painters. The centenary exhibition of his work at the National Portrait Gallery, until September 8, shows that be was one of the makers of nur images of 20th-century man.

He set up his studio in Essex Street, off Fleet Street, in 1926 when he achieved lasting fame with a series of portraits of famous writers. These were published in the Bookman magazine. In the 1930s they appeared as whola page sepia photogravure reproductions and also as part of an ntaborate montage of some 39 writers assembled as if for some literary last supper. His portraits of writers were to be more widely seen whan Coster photographed authors for the new Penguin books after 1935.



Photograph of Bertrand Russell taken by Howard Coster in 1935

Looking at this well arranged and selected small exhibition of photographs by an acknowledged master of the art of portraiture it is striking to realise the power of the photographic image. Coster's pictures are of such quality that we will always think of Arnold Bennett as the rather substantial cad as be was portrayed by Coster. Coster must have arranged the aitter's hair so that it blew in such a jaunty fashion. He saw and recorded the sensual eyes and the heavy gold foh and watch that is just emerging from Bennett'a pocket. The portraits of Yeats and T. E. Lawrence are thn definitive views of these men. Lawrence's face has a clear handsomeness combined with a line of cruelty about the lips. The sheer worry of life seems to cling to the troubled features of E. M. Forster and the cockiness of Bertrand Russell shines through his distinguished mein.

The group portrait of the distinguished family is a *genre* that is rarely seen today. The formidable array nf Rothensteins set against damask and chrysanthemums is far more disturhing than the cosy academics, G. D. H. Cole and his wife Margaret, photographed in their William Morris chintz chairs.

Howard Coster photographed all those who were distinguished in the arts and literature. His skill was such that behind the technical perfection of his photographs there is the personality of the sitter. In every case it is possible to feel this sense of personality very strongly — it is tha achievement of a craftsman who was at every turn guidad by thn spirit of the subject. He died in 1959 and until this exhibition his work had passed into temporary eclipse — the neglect was unjust. It is hard to think of a better portrait photographer.

*

At the Photographers' Gallery until the end of August there is an exhibition entitled *Image and Exploration* which looks at thn work of some younger British photographers. It is a very disappointing exhibition that is full of that kind of understated pretension that seems to hang around the world of art photography. Some of the photographers deal with landscape and the marks made on it by man bnt none of them have the vein of poetry that the subject demands. They should look at the works of the painter Richard Long who has interpreted the landscape in a way that adds to our understanding and enlarges it. So much of the subject matter is gloomy and dull that I was forced to wonder why the lenses of thn young are so permanently closed to beanty.

The work of Cecil Jospé, a heries of still-lifes usually composed of everyday objects, occupies the Portfolio Room at the Photographers' Gallery. She has a good sense of colour, sometimes an effective sense of composition, hut the overall effect is of emotionless technical perfection. Just occasionally her eye creates an effective image as in the composition with the dried tulips and a portrait, and at all times the flawless colour printing creates a smooth world of contrived beauty. But Miss Jospé's work and the work of the younger photographers suggests that photography as art has lost its way. It needs the clear eye of a genius like Howard Coster who used the craft to illuminate the soul.

Carmen/Edinburgh Playhouse

Clement Crisp

After a year's delay due to lack of funds, Peter Darrell's *Carmen* for Scottish Ballet reached the stage of the Playhouse on Tuesday night, thanks to Britoil sponsorship.

This two-act *Carmen* is different from those othar stagings of the post-war years which took Bizet'a opera as their musical and narrative inspiration. Darrell uses Bizet music—large sections from the opera, numbers from *Jeux d'Enfants* and *La Jolie fille de Perth* among other sources, well arranged by Dominic Muldowney—but returns to Prosper Mérimée'a story for the detail of the drama.

The differences between opera and tale are not excessive, but in this production they servn to widen the range of the action and stress the fatalism of Carmen's temperament. For Darrell she becomes a woman unahle to give herself wholly to one man, and her death seems the result of a conscions and desperate act on her part to end her life.

I am tempted to feel, after the first performance, that the Playhouse is an ideally wrong setting for the ballet. It is a gracetess barn, and Peter Darrell has aver been a choreographer whose work responds to thn focus given hy close company playing in an intimate house. Part of the triumph of the Lyon Opera's *L'Etoile* is owed to just this vivid communication between stage and audience, performances reaching surely and heautifully to the farthest reaches of the King's Theatre.

Sitting in the Playhouse halcony, I felt I was watching Darrell's work at one remove. I suspect that in more rewarding surroundings and, admittedly, with performances "run in," this *Carmen* will appear aharper and more tragically direct.

It is, even at first acquaintance, a well made, coherent narrative, excellently designed by Terry Bartlett. He bas provided a permanent set comprising a double-tiered curve of arches backed hy wooden shutters, into which various properties—the barriers of a bull-ring; draperies suggestive of mountains; an altar in the bull-fighters' dressing room—are manipulated. The result is alwaya felicitous, atmospheric, and excellently lit hy Mark Henderson; costuming, from peasant garb to the dress for Goya-esque *Mojas*, is fine.

Darrell presents his action clearly, wilh cinematic speed, thn dance touched with Hispanisms, but never quaintly so. The piece, inevitably, stands or falls on its principals, and in the 19-year-old Christine Camillo, we have a beautiful young dance actress capable of bold technical feats and bold feeling. Don José is Davide Bomhana, slightly muted in the opening passages, but gaining in fire and despair until he and Miss Camillo generate a fine blaze for the death-scene, set as a *Corrida* in the hull-ring, with the cast gazing down from the upper tiers of the set in frozen fascination.

Sobsidiary roles are well played and the Scottish ensemble warm to their tasks after a rather staid opening. I am less happy about the Fate figure of a fortune-tetter who trails through the action in minatory fashion: it is a part which seems to call for greater preseoce and maturity than it receives from Sally Collard-Gentle. There are some stight biatuses in thn dramatic momentum — a gypsy entertainment is likn a detour from the straight tine of the narrative — but in every other respect this *Carmen* has the proper inevitahility of tragedy and an nasy command of historic period and atmospbere. Now all that remains is to find a theatre to do it justice.

Christine Camilio as Carmen

Are You Lonesome Tonight?/Phoenix

Michael Coveney

Alan Bleasdale's new play, first seen in May at the Liverpool Playhouse, is an attempt to say something *serious and affectionate* about Elvis Presley, and like all such hagiographical enterprises it emits a strange necrophiliac aroma laced with sentiment.

Presley, it turns out, along with James Dean and Marilyn Monroe, was a victim of his own fame, misunderstood and exploited; ha was also fatally wounded by the death of his twin hrother Jesse. If Jesse had lived, Elvis exclaims, "We could have been the Everley Brothers!" (Oh no they couldn't). Bleasdale does not offer a complete whitewash: Martin Shaw's hloated star, in shades and a mauvn crushed velvet tracksuit, white towel thrown around his neck, is a picture of diseased vanity and stupidity.

Bnt isolation and death in Gracelands are less to do with his own shortcomings than with his mother fixation, his sohbing inability to communicate, and the dead twin to whom he confides in a rather protracted maudlin penultimate scene, before resurrecting him as a mirror image of his younger, rock and rolling self.

Rohin Lefèvre's production pinpoints the theme of hlood hrothers separated by age in thn device of Elvis and his dwindling entourage *running* through old memories and films, thus allowing Simon Bowman to explode into view as the dangerous white hoy who sang like a Negro and, according to Billy Graham, endangered the nation's youth. Thus the old Elvis both relives the past and atokes his vanity by participating at his own concert.

At the same time—and this is the weakest strand in the action—a disgruntled former employee, Duke (Peter Marinker), is spilling a few beans into the tape-recorder of a bespectacled English subculture vulture who intends to write a book about "the nearest thing to a Greek god for this century." These scenes are riddled with inertia, are endemically undramatic and hardly worth all the trouble for the one good joke at the expense of the gormless writer.

There is a dramaturgical awkwardness here that we should *no longer expect from a writer* nf Bleasdale's experience: Duke is now on the telephone to Gracelands and now instrumental in the clumsy implication of Elvis in a Mafia plot to kill off his first wife's lover. Colonel *Parker (Roger Booth)* is another shadowy figure given short shrift.

Voytek's design combines the pink sickliness of the Gracelands hideaway with a platform of rocks and Cadillac bonnets for the band. The band is first-class, as is the musical direction of Rod Edwards and the amplification. While Gladys Presley (Delia Lindsay) mourns her dead baby, Bowman and Shaw give a superh gospelling version of "Loving You" during which Shaw removes his shades for the first time to reveal a face ravaged with tears and darkness.

The Presley concert also includes a thrilling set by Bowman in hlack leather in which the curled lip, the shaking knees and tenor tremelo convey all you could ask of a Presley lookalike competition winner without, of course, that final killing stab of inimitable authenticity. And this, at the end, is what does for all musical fiestas. I preferred the unapologetic Astoria *Elvis* of several years ago. There were twice as many songs and no mention of Jesse.

Martin Shaw (left) and Simon Bowman

Alastair Muir

London Mozart Players/Albert Hall

Paul Driver

Jane Glover made an impressive Proms débnt on Tuesday night, conducting the London Mozart Players whose artistic director she became npon the retirement of Harry Blech in 1984. Her orchestra now includes many talented and yonng musicians, and she does a wonderful job of uniting them; Tuesday's performances had almost an excess of panache, though that is all to the good in restoring the Players' slightly faded image.

Schubert's fifth symphony glistened throughout its whole length. It was irresistihly fleet-footed, delicate and stylish, but there was never dilution of the music's substance or neglect of its darker intimations, its flecks of minor-key disturhance. Miss Glover, who conducted here and in Mozart's 34th symphony at the end without a score, obtained a performance of the most concise etoquence, distinguished equally hy moments of ensemble-perfection (chording in the finale) (Philippa Davies's magically and individual accomplishment moistened flute solos in the Allegro).

Miss Glover threw berself into Mozart's concert aria "Ah, lo previdi," K.272, with an experienced opera conductor's sureness of tonch. She supplied lovely accompaniments to Yvonne Kenny's bell-like and impassioned articulation of the solo part, the collaboration being most memorable during the second recitative when Andromeda's beart is faltering beneath a cruel blow and the strings seem to falter in sympathetic dissonance. The ensuing Cavatina was enhanced by an elegant oboe obhligato.

I found Miss Kenny less persuasive in Samuel Barber's *Knoxville: Summer of 1915*, Op. 24, a setting for often high-lying soprano and a colourful orchestra of a prose poem by James Agee which pleasingly evokes an idyllic scene from the author's early childhood. Tha particularity of the text's detail (well-matched by the music, as in the orchestral imitation of "a street car raising its iron moan") was not lovingly enough cherished by the singer; nor, in spite of a well-placed top note for the climactic line, "Now is the night one blue dew," was the prevailing rapturousness fully hrought out. The orchestra likewise sounded hlander than it should.

Amends were generously made, though, in the Mozart C major symphony, whose three movements were superbly characterised and marvellously refreshing.

'Grease' in London

Grease, produced by the Cambridge Independent Theatre, is to open at the Bloomsbury Theatre *on August 26 for* one week.

Having opened in Cambridge it travelled to Holland and will finish its run with a week in Israel and four days in Geneva.

Suitcase Packers/Lyric Studio

Martin Hoyle

Hanoch Levin is one of Israel's most prolific and popular playwrights. Best remembered here for *Rubber Merchants* on the Edinburgh Festival fringe two years ago, he arrives in Hammersmith, courtesy of the Cameri Theatre of Tel-Aviv, with a deceptively simple and episodic look at a suburban community where, to quote *The Revenger's Tragedy*, "there's nothing certain in mortality except mortality," and the funerals punctuate the action like a haunting refrain.

First we meet the Schusters. "God, let me succeed," prays the paterfamilias before trying to break his four days' constipation. "Did you enjoy the paper?" brightly enquires bis wife when he emerges, unenlightened. His is the first of the play's eight funerals, social occasions when grieving widows eye the field for possihle consolation and the conviction slowly grows that the important things have been left unsaid.

Mike Alfreds, formerly of *Shared Experience*, mixes the funny and the pathetic in his production's saga of several families against a plain black background on a bare stage. In the 18 short scenes characters bring on their own scenic props, chiefly halcony balustrades. We meet a bunchback who kills himself, a stutterer who briefly finds happiness in a homosexual fling, a plain unmarried daughter who departs for London (where she may still be lonely hut the TV is better), and above all the growing number of widows whose affirmation that "we are the life and strength of the neighbourhood" delineates a society where the family is all-important.

Parents ache for their children to marry; pregnant women hulldoze their way over domestic opposition with threats about the future of the dynasty; and *an old woman, escaping from* the institution to which her family consigns her, flits, ever more ragged, across the stage; a wraith-like *memento*, not *mori* but *vivere* — a life of forsoken old age, responsibility cruelly abandoned.

The result resembles an Israeli version of Thornton Wilder's *Our Town*, not least when the dead visit the living. The simultaneous earphone translation takes some getting used to, but the play grows on one in its 90-minute duration. Pack they may, hut these would-be travellers never actually leave the community (except poor plain Bella who, it is implied, takes her portion with her). Compulsive eater Elechanan (Shabtay Konorti) spends his savings on Liza Rosen's tubby prostitute, mini-skirted and tottering on toweringly platform beels. Even stuttering Zigi (Dov Reizer) returns embittered from his gay boliday to greet the politely expectant neighbours with the painfully enunciated expletive, "P-p-p-pigs!" ("That's my son," beams his mother, "he always speaks bis mind.")

The excellent cast, successfully skirting sentimentality, includes Aharon Almog as the lovelorn bunchback ("A little bit extra behind bas ruined my life in front"), Ruth Geller and Avraham Pelta as elderly parents who lose their adored only son, and Shulamit Adar, the abandoned old mother, a terrible image of vulnerability and bewilderment. The play is both less exotic and more cheerful than these altusions might suggest; and very rewarding.

Songmakers and pianists/Edinburgh

Max Loppert

Thn morning concerts at thn Queen's Hall, one of the most inviting homes for music in thn land, are the hread and butter of Edinhurgb music-making. The festival week began shakily on Monday with a rather saddening Bach concert given by Yehudi Menubin in charge of the Scottish Chamber Orchestra — he is here for a wnek-long "Menuhin season" — hut then on Tuesday morning things came right with the recital given by the Songmakers' Almanac. It was a portrait-programme of Chabrier, one that has already been beard (albeit in slightly different form) in London; and as a pendant to *L'Etoile*, the previous evening's gem from Lyon, it proved hoth seemly and satisfying.

There was talk hetween musical items, as is usual in Songmaker recitals, but this time it was produced entirely without the giggly, schoolboyish note that sometimea sounds in the various compilations by chief Songmaker and pianist Graham Johnson. The actor Neil Cunningham, reading from Chahrier's letters, gave a splendidly sharp impression of a lovable man who was a famous wit and *bon vivant*, yet who was also private, suhtle, and complex — a blend of countryman and Parisian whose tardiness in fully joining the musical world and whose suspicious attitude towards it perhaps explains why be never took his genius quite as far as one feels it ought to bave gone.

The musical selections, sung by Patricia Rozario, Martyn Hill and Richard Jackson, fitted pointfully into the shape of the programme. There was an operatic interlude (and the two songs from *L'Etoile* were not totally shamed hy competition from Lyon the night before); *Gwendoline*, despita its overblown libretto, is a fioer work than the narration appeared to suggest, yet Miss Rozario's gentle, pearly-toned contribution to the Spinning Whecal duet was quite beautiful enough to make the point anyhow. It was interesting to hear two versions of "L'Invitation au voyage" — Duparc's, and the little-known one by his friend Chahrier, both neatly inserted into the Bayreuth episode, and both sung with serene accomplishment by Mr Hill. Altogether, it was a concert to explain to the uninitiated and to confirm to the convinced alike why Chabrier inspires a special enthusiasm.

On Tuesday night, in the third and final Usher Hall concert by the French National Orchestra, there was thn rare luxury, entirely proper in a festival, of being offered both Ravel concertos in the same programme, each played by a different leading pianist. To the left-hand concerto, Michel Béroff hrought perhaps not the final ounce of necessary weight—the cruelly compendious brillionce of the piano writing extracts everything a normal left hand can give and then more—but his way of maintaining precision, clarity and a cool, singing line contrived to makn up the difference.

This was very impressive. Superlatives run dry, however, for Martha Argerich's playing of the G major concerto after the interval, a stupendous feat of runaway virtuosity (at one or two moments the adjective carried a literal threat) removed from any sense of the merely mechanical by the warmth, wit, and exhilaration with which it was infused. It was good to be reminded in this way that Miss Argerich remains one of the outstanding pianists of our day. The young American Thomas Fulton won from the orchestra a greater degree of discipline than had been shown on Monday under another conductor. At all events, the concerto performances were of a kind to make one tolerant of the shortcomings (insufficient dynamic variety, uneven sectional balances) that remained in the two 20th-century French ballet scores also on the bill—Dukas' wonderful *La Peri* and the rousing second suite from Roussel's *Bacchus et Ariane*.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

August 9–15

PARIS

Renoir: An important exhibition of the most sensuous of the impressionist painters, who never tired of glorifying the nude feminine body capturing the light, comes to Paris from the Hayward Gallery, London. It consists of some 125 paintings and 50 drawings, including Le Bal du Moulin de la Galette and La Danse à Bougival. Grand Palais, Closed Tue. Ends Sept 2 (261 5410)

Perfume: An enchanting exhibition in praise of perfume assembles 550 objects, mostly phials, bottles and perfume fountains from the 16th to the 19th century. Some were made of Viennese porcelain, others of Bohemian cut glass or from gold and enamel in England. There are silver pomanders with petals opening up and Chelsea china statuettes. They all show exquisite workmanship and some of perfume's power to beguile. Le Louvre des Antiquaires, 2 Place Palais Royal. Ends Sept 15.

LONDON

The Tate Gallery: Francis Bacon, Britain's greatest living painter accorded the rare distinction at the *age of 76 of* a second full retrospective exhibition at the Tate, 20 years after his reputation as an artist of world standing was first put beyond all doubt. Now we see him no longer as a unique and extraordinary figurative, surrealist expressionist, but as an artist who has come at last into his own, as younger painters have come round again to the human figure as the central, creative preoccupation. As the subject matter is now more acceptable, so his peculiar and tormented re-invention and reconstitution of the figure no longer shocks. Ends Aug 18.

NETHERLANDS

Amsterdam, Film Museum (Vondel Park 3). The French cinema month. This week films by Chabrol, Kast, Foyder, Tarride, Choux (Fri, Mon to Thur, all matinee). (831646).

SPAIN

Santander, Santillana del Mar. The splendour of pre-Colombian culture. Gold exhibits from the Quimbaya Treasure. Fundacion Santillana, Torre de don Borja. Ends Aug 30.

SWITZERLAND

Martigny: Fondation Pierre Gianadda: 250 Klee paintings in the striking modern gallery built over the Roman ruins of the city of Octodurus. Ends Nov 3. (026/23978).

VIENNA

Vienna 1870–1930: Dream and Reality: The greatest names of the Viennese fin-de-siècle – Klimt, Otto Wagner, Schiele, Kokoshka, Aldolf Loos, Josef Hoffman – in a dazzling display of Jugendstil creative genius. The attempt to integrate the artistic achievements of this era with philosophical developments (notably Wittgenstein but also Freud) and political transformations (the emergence of municipal socialism on the ruins of Baroque splendour) is ambitious and only partly successful. The complex tension between autocratic and censored reality on the one hand and the illusions or fantasies of individual artists on the other is hinted at but not fully explored. A high point of the show is a reconstruction of Hoffman's room at the secession exhibition of 1902. Here, triumphantly restored, is Klimt's fifty-foot Beethoven frieze depicting humanity's progress through suffering to joy on the theme of the Ninth Symphony. Displayed exactly as intended, this alone is worth a special visit. Kunstlerhaus. Ends October 6.

BRUSSELS

Opera costumes from 1950 to the present including Zeffirelli's Rigoletto, Bosquet's Traviata and Karl Ernst Herreman's Clemency of Titus. Musée de Costumes et Dentelle. Until November.

WEST GERMANY

Munich, Staatsgalerie moderner Kunst, Prinzregentenstr. 1: German Art since 1960, 200 paintings, prints and drawings by 13 artists from the private collection of the German Prince Franz of Bavaria. Among them: Beuys, Richter and Kiefer. Ends Sept 15.

Berlin, Nationalgalerie, Potsdamer Straße 50: New acquisitions '75-'85, offer 500 works from between 1820 to 1985. Some 300 important artists participate. Ends Aug 25.

Aachen, Suermondt-Ludwig-Museum, Wilhelmstr. 18: 100 drawings, watercolours and plastics from Joseph Beuys, covering the fifties and sixties. Ends Sept 29.

ITALY

Florence: Museo Archeologico (Piazza SS. Annunziata) – The Etruscan Civilization: This is the first of a long series of exhibitions to mark The Year of the Etruscans, and shows the results of the most recent research into the Etruscan world. A useful history of this civilization's birth, development and decline. Ends Oct 20.

Florence: Palazzo Pitti (Sala Bianca): Modern masters from the Thyssen-Bornemisza collection: The pleasure to be had from this remarkable exhibition is that it reflects the taste and prejudices of one individual: one of the few left who can afford Corot, Manet, Gauguin, Picasso – and who is generous enough to send them to be exhibited in France, England, the U.S., Australia, Japan, and now Italy. This same collection, with a few exceptions, was seen at the Royal Academy in London last autumn. Ends Sept 29.

Rome: Lalazzo Venezia (Piazza Venezia 3): Paesaggio Con Nigura – 37 works from the Borghese collection. The Villa Borghese, which houses one of the best patrician art collections in Rome, is likely to be closed for repairs for at least another year and some of the gems from the collection have been transferred to this site for the summer. Includes works by Titian, Veronese, Domenichino, Caravaggio and Dosso Dossi. Ends Sept 30.

NEW YORK

Metropolitan Museum: 30 objects from the period between the 1851 Crystal Palace Exhibition to the 1900 World Fair in Paris demonstrate the show's theme of Revivals and Explorations in European decorative arts. Ends Sept 5.

Asia Society: Japanese art of the supernatural, featuring ghosts and demons that turn themselves into humorous creatures to harass guilty and innocent, are illustrated in prints screens, small sculptures, paintings and netsukes from the 17th to 19th centuries. Ends Sept 1.

WASHINGTON

National Gallery (West Bldg): 38 old master paintings from the Dulwich Picture Gallery are exhibited under the title Collection for a King, including works by Rembrandt, Van Dyck, Canaletto and Gainsborough. Ends Sept 2.

CHICAGO

Art Institute: Though Edouard Manet made etchings primarily to reproduce and publicize his paintings, he developed a unique style as shown in the 27 etchings in this special exhibit of more than a third of his total output of 75 etchings. Ends Sept 2.

TOKYO

overlooking Tokyo's tranquil central (moat and green around Imperial Palace) plus Japanese tea-room. Ends Sept 1, closed Mondays.

Modigliani: 130 works in oils, watercolours, and sculptures. National Museum of Modern Art, Kitanomaru Park (near Palace and Imperial Hotels and parts of Tokyo's oasis near the Imperial Palace). Ends Sept 29.

Qing Dynasty Treasures from the Forbidden City, Peking. An important exhibition of 273 pieces showing the opulence and craftsmanship of the Qing Dynasty (1644-1912). Costumes, ornaments, ceramics, paintings plus imperial banquet room-setting, all magnificently displayed in Tokyo's best department store art museum. Seibu Department Store, Ikebukuro Branch. Ends Aug 26, closed Thursdays.

Masterpieces from Idemitsu Art Gallery: From one of Tokyo's finest private museums belonging to Sazo Idemitsu, the best from an outstanding collection of Oriental ceramics, crafts and paintings. Idemitsu Art Museum, 9th floor of Kokusai Bld, Hibiya.

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Thursday August 15 1985

Regulating eurobonds

THE EUROBOND MARKET is a market which the new City regulatory authority, the Securities and Investment Board, would prefer to leave alone, but cannot. On one hand, the British private investor bes very little contact with this vast and mainly professional market—and the chief concern of the new regulatory system now evolving is that the privete investor should be protected. On the other, it would look very inconsistent for the SIB not to regulate the biggest securities market in the City.

Furthermore, the eurobond market may well represent the first wave in the emergence of securities markets that transcend national frontiers and which will pose obvious problems to any authority trying to regulate them on a purety national basis. Homeless equities will probably join the euromarket's homeless bonds. Even securities and other financial instruments which do preoerve a national identity will be sold to British investors from afar, over the telephone, and not only by British firms obeying British rules. This is an untidy prospect which the recent UK White Poper on investor protection chose tidily to overlook.

The eurobond market sprang out of non-regulation. For 17 years it has flourished wildly alongside the regimented borders of the London Stock Exchange, tempting institutional investors across the world with a profusion of new-fangled instruments. Although some three-quarters of its trading takes place in the City, the market links 37 countries. So it is no wonder that the market's trade association, the Association of Internationel Bond Dealers, is hard-pressed when asked to explain at short notice how its London members will come up with a self-regulatory system which satisfies the criteria laid down in the White Paper. The association's international membership has granted it neither the role nor adequate powers to do this job.

Functions

The SIB is now developing a twin-track approach to the self-regulation of investment businesses. It will "authorise self-regulatory organisations" (SROs) and it will "recognise investment exchanges." In effect the former will be charged with vetting the players and the latter will vouch for the decorum of their game. One body, the Stock Exchange, for instance, will be allowed to perform both functions, but the functions will be monitored separately by the SIB.

The way forward in the case of the eurobond market is probably to set up one system simply to vet the London eurobond houses—a London-based SRO with its own rules of membership and conduct, or, alternatively, a special associate membership of the Stock Exchange—and separately to recognise the AIBD as the guardian of eurobond trading.

The latter is going to demand a clever blend of pragmatism and idealism from the SIB and the Department of Trade and Industry. The AIBD is going to find it hard to persuade its members to meet some of the investment exchange guidelines—lay members on the governing body for example. But equally there are other guidelines—the provision of up-to-date price information, for instance—which the AIBD would do well to espouse and which would increase the attraction of London as a eurobond centre.

Initiative

Partly as the result of scandals, the AIBD is of its own volition moving towards a more regulatory approach, so the British authorities will not be trying to impose order upon an untameable desire for financial anarchy. But the White Paper is certainly going to have to be flexibly interpreted by everybody involved if the eurobond market is to remain based upon the City.

The Government and the SIB would do well to give themselves a more international perspective in looking for the right compromise here. The Bank of England has already discovered that it is impossible to regulate today's banking industry in British isolation: it took the initiative in pushing for a forum in which different approaches to bank regulation could be co-ordinated and harmonised. The same initiative is now needed for securities as the global market in them starts to emerge. In the U.S. the SEC is already saying so.

Trading apples for pears

THE FOUNDATION stone of the global prosperity of the post-war years was the expansion of a non-discriminatory, multilateral trading system. Recently, this open trading system has come under severe strain. The liberal rules enshrined in the General Agreement on Tariffs and Trade bave been flouted by the profusion of unofficial import quotas and "voluntary" export restraint orders.

But perhaps the most insidious threat to free trade lies in the steady growth of "countertrade." This is the umbrella term for trade deals in which exporters to particular markets are obliged to accept countervailing imports from the same market. The simplest example io cashless barter: the direct exchange of goods for goods. But there are many more sophisticated variants. One is "connter purchase" where the exporter is paid on normal cash or credit terms but to secure the order has to agree to buy a certain value of goods and services in the country concerned.

Why is countertrade undesirable? Mainly because it is an inefficient way of trading. As the Department of Trade and Industry points out in a new booklet, such trading fosters closed, bilateral deals which contradict the non-discriminatory, multilateral principles of Gatt. Countertrade fails to respect the elementary tessons of comparative advantage. In an international trading system enjoying an international medium of exchange it is absurd for one country to say it will buy something from another only if that country returns the compliment.

Inefficient

The inefficiencies are even greater at the corporate level. In order to secure export orders, companies have to build up expertise in a whole range of markets and products outside their normal experience because they have to know where and at what price they can resell the counterpurchased goods they neither want nor need. The goods may be low-quality or violate anti-dumping laws. At the very least, exporters are obliged to pay heavy advisory fees to middlemen.

In spite of the inefficiencies, countertrade is spreading fast. It has long been a central feature of trade between Comecon and the West but more recently has been embraced by many developing countries—notably Brazil, Indonesia, Malaysia and Nigeria. In Europe, Greece is increasingly demanding counterpurchases: elsewhere, Australia and New Zealand are notorious for setting constraints on overseas suppliers.

Some countries mistakenly regard countertrade as the best way to build up their own export industries—by demanding an immediate and tangible quid pro pro for imports. But more often countries are forced into countertrade by lack of foreign exchange and by poor access to normal banking facilities. Countertrade is thus one of the tegacies of the debt crisis: by withdrawing bank credit, the developed countries are ensuring that the developed world edopts trade practices which in the long run could threaten the open multilateral trading system itself.

Frozen out

While disapproving of countertrade in principle, the DTI is paradoxically worried that British companies are being frozen out of export markets because they are unfamiliar with the technique. Nigeria, a prime UK export market has recently negotiated a series of big countertrade deals but none has been with Britain. The DTI has even toyed with the idea of setting np a special public sector agency to advise on this inefficient trading practice. But it has been stymied by the lack of interest shown by British companies.

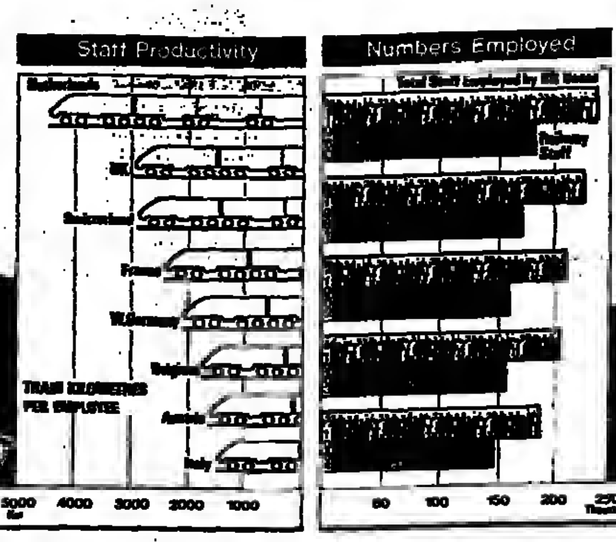
The DTI's booklet lists a large number of privote companies, including several merchant banks, which specialise in advising companies on countertrade. There is thus no need for a public agency even if some other countries have one. The more important role for the Government is to speak up at international forums such as Gatt on the priority to create the conditions which will ensure countertrade withers and cash-based multilateral trading flourishes.

UK RAIL DISPUTE

The union on its guard

By Brian Groom, Labour Staff


JIMMY KNAPP




SIR BOB REID

Brano Radović

FIVE MONTHS after the defeat of the National Union of Mineworkers ended Britain's longest, most bitter postwar labour dispute, members of another union—the National Union of Railwaymen—face a damaging confrontation with their state-owned employer.

The issue is the BR Board's plans for driver-only trains—removing the guard—which the Board sees as central to its bopes of future productivity improvement. First mooted nine years ago, and pressed upon the rail unions since 1981, BR accuses the NUR of dragging its feet and this week bas stepped up the pressure by threatening to sack 270 guards in Scotland and Wales wbo are refusing to obey management instructions.

The NUR, which plans an industrial action ballot of about 11,500 of its members on August 29, knows it must fight cunningly in the "post-miners" atmospbere to avoid defeat. Mr Jimmy Knapp, the canny Scot who leads it, was a steunch supporter of Mr Scargill and his men but he bas seen the agony of their bumiliation and will be wary of falling into the same trap.

To tha bystander, this dispute seems to have emerged suddenly. It raises certain questions: why is it coming to a head now? Is there any way of avoiding it? And if not, who will win?

On the face of it, it is a botd move on the Board's part to risk a costly dispute while it is struggling to regain the 20 per cent of coal traffic which has still not returned to rail, after a pit strike which cost the railways £250m.

It is tempting, moreover, to see the Government's hidden hand behind the BR Board's new-found resolution. It was, after all, part of the Left's mythology during the pit strike that if the miners went down, "they will come for us all."

Bnt no one, not even union leaders, believes that is so. The Government will back the board, but the events of the last few days have been BR's initiative. Since the mild-mannered but efficiency-obsessed Mr Bob (now Sir Robert) Reid took over from Sir Peter Parker two years ago, the unions have seen them coming.

In retropect, the period of sweetness and light after the pit strike, in which a 4.85 per cent pay deal was agreed swiftly without prodnctivity strings, was just a temporary lull. The Board appear to have set its sights on introducing driver-only working by October.

The obstacle to this is the NUR's two-year-old conference policy resolntion "not to enter into any further talks on productivity and this certainly to inclnde any proposals to extend driver-only operation of trains."

Board members say such a veto could stymie all their future efforts to improve productivity, and that much of their £1bn investment programme, the industry's biggest for 20 years, could be made useless if they cannot use new equipment efficiently.

BR knows the danger of a costly campaign. The 1982 train drivers' strikes over flexible rostering cost £170m in lost business—a figure which if repeated this time would far outweigh the £27m a year which driver-only operation will be saving after five years.

Tbe Board's fundamental case is that without the sort of chenges it is proposing, the railways may not survive at all in the face of increasing competition from cars, lorries, and deregulated coach and bus services. No management, it argues, could live within the kind of constraints which the unions are imposing.

BR stated before June's NUR conference that it intended to resume and extend trials of driver-only trains—but the conference ignored the warning. The past five weeks have brought mounting disruption of passenger, iron ore, oil, and other freight services as BR began implementing its policy and the railmen refused to co-operate.

Besides the NUR's national ballot on August 29, it plans a further industrial action ballot of 25,000 workers at British Rail Engineering and regional workshops over the separate issue of job losses there, to be completed by September 5.

BR, meanwhile, is forcing the pace. It bas threatened to stop paying all employees if the network is paralysed by widespread action, and now threatens to sack 270 guards in South Wales and Scotland if they do not promise by midday tomorrow to return to work and obey instructions.

Why is the issue of one-driver trains so fraught? The NUR's public campaign against the idea emphasises the danger to passenger safety. Not only would the absence of a guard worry women travelling alone, it says, but also may involve leaving a train unattended on the line in the event of a breakdown.

The Board replies that driver-only trains are used widely on the Continent, and have worked safely on the London St Pancras-Bedford line for two years. It even claims the new arrangements are in some ways safer, because drivers have radios in cabs and can call for police belp immedietely if, for instance, there is trouble from vandals on the line.

The safety issue is an emotive one, but it is probably not the central one in guards' minds. They are worried about the 1,760 job losses planned over five years. Though no redundancies are planned (there are 800 vacancies for guards at the moment, and 2,000 guards over 55 are nearing retirement), the jobs-gone-for-good argument which dominated the miners' strike remains a powerful one within the NUR.

First raised formally as part of a six-point productivity programme in 1981, BR achieved wbot it thought was a breakthrough on one-driver trains in 1982 when Lord McCarthy's Railway Staff National Tribunal ruled that guards should be taken off conventional duties on tha Bedford to St Pancras line, known as Bedpan.

In fact, Bedpan did not become operational until October 1983 and only after lengthy negotiations during which the 48 electric trains lay idle in railway sidings in Cricklewood, north London. BR agreed to pay drivers an extra £6 a shift, and signalmen operating the service also received an extra £2 a shift.

Bedpan remains the only line to run regular driver-only trains. BR bas pnt 16 displaced guards on to commercial duties, checking tickets and collecting fares, and has offered to increase this to 32 because they have brought in additional revenue—but the NUR has still not agreed on the permanent number of "guards" to be used in this way.

Of the six productivity measures proposed in 1981, BR has so far achieved only two: flexible rostering and open station concept, which transfers ticket collection from the station barrier to the train. A third—removal of the second man from the cabs of light shunting locomotives — will shortly be considered by the tribunal. There is as yet no agreement on how to implement the trainman concept, a new promotion grade bridging the gap between guards and drivers.

The two current issues — removal of guards from passenger and freight trains — are the crucial ones. BR is determined to extend dirver-only working to suburban services from London King's Cross from October, and to Strathclyde suburban services by the end of the year. Trials in freight operation are already being extended.

BR says there have been 21 national meetings with the unions on driver-only freight operation, and five since June 1983 on passenger driver-only working. Negotiations on both issues ended with what BR calls a "failure to agree."

The NUR makes three points: the unions, it says, have not acknowledged a failure to agree; BR opened fresh negotiations on the freight issue and these talks stand adjourned; and the tribunal decision in 1982 dealing only with the Bedpan line has been honoured.

The Board believes the tribunal decision has wider application, and that the NUR's stance on all these issues is mere filibustering, in view of its firm conference policy of opposition.

Who will win? The NUR's guard members have so far proved willing to take action at individual tocations, and the union executive is confident of winning the national ballot on industrial action. Winning a successful national campaign at a time when management's confidence has been raised by the miners' defeat, however, is another matter.

If the dispute escalated into a national stoppage, moreover, the union's £24m assets would be rapidly depleted. Unlike the National Union of Mineworkers the NUR pays strike pay.

Sensing that the NUR may try to cause limited but prolonged disruption, the Board seems to be trying to draw the union into a quick, open fight.

The threat of sackings implies tough action against guards at the centre of the dispute; but the threat to cease paying all staff in the event of severe disruption, if carried through, would be an attempt to undermine the NUR's position by involving staff who are not keen to lose earnings on the guards' behalf, and might put pressure on the union to resolve the dispute.

At this stage, the prospect of an agreement on the driver-only issue looks remote. The BR Board appears to hold most of the cards as the dispute widens. The risk, as Board members well know, is that they could win a victory on this single issue which still fails to bring union co-operation on other measures.

That was what happened in 1982, when BR won on flexible rostering but did not unlock the door to other improvements in efficiency.

Now the Board feels it needs once and for all to break the pattern whereby eocb productivity measure requires lengthy negotiations followed by a national dispute.

TIMETABLE OF THE DISPUTE

1981. BR puts forward six proposed productivity measures, including driver-only operation on passenger and freight trains, first mooted in 1976.

1982. BR Board introduced flexible rostering for drivers after Aslef strikes which cost the industry £170m.

Railway Staff National Tribunal rules that guards should be taken off conventional duties on Bedford to London St Pancras line.

March 1983. Agreement finally reached for driver-only trains on Bedpan line. Service starts in October.

Summer 1983. NUR conference votes not to enter further talks on productivity, especially driver-only operation. Reaffirmed 1984.

Sept/Nov 1983. BR says there has been a formal "failure to agree" with the unions for driver-only working on passenger and freight trains.

Summer 1984. Board backs down over making pay rise dependent on productivity progress, because Mrs Thatcher does not want a dispute on a second front during the miners' strike.

May 1985. BR tells NUR it intends to go ahead with driver-only trains, challenging it to reverse conference policy.

June. Policy remains as NUR conference does not discuss it.

June 25. NUR conference switches policy in favour of pre-strike ballots.

July 8. Dispute flares over pilot experiment for driver-only working between Immingham and Scunthorpe steelworks.

July 15. Industrial action starts on the iron ore service to Port Talbot, South Wales, and on London King's Cross suburban services.

July 23. BR win court injunction against NUR over separate issue of blacking railbuses built by private company.

July 24. NUR lifts railbus blacking, but announces national guards' ballot on industrial action, and further ballot over job losses in engineering workshops.

August 9. BR threatens to stop paying all employees if guards' action paralyses network.

August 12. Dispute spreads to Western Region passenger services and halts all ore trains to Scunthorpe.

August 13. Board threatens to sack 270 guards if they refuse to work normally by tomorrow.

Men and Matters

In black and white

Barclays' chief general manager, Peter Leslie, maintained a brisk but friendly composure in the fact of some sceptical reporters yesterday.

He had called them to the seventh floor of his City headquarters to tell them that Barclays was adopting a lower profile in South Africa and to explain why.

The bank has passed up a rigbts issue by its South African subsidiary, Barclays Notional Bank (Barnat), and as a result loses majoriy control. And though Barnat will become an associate bank within the Barclays group, it will drop the Barclay name "in due course."

"This is a commercial decision," Leslie, 54, said in his business-like way," which has been under consideration for some time and is in line with our strategy of the last 15 years."

And as might be expected from a man whose hobby is historical research, the bespectacled Leslie did a very good job afterwards of tracing this natural progression right back to 1923 when Barclays bought the old National Bank of South Africa.

But it would be inevitable, he supposed, that some people would seek to connect the move to South Africa's current troubles or criticisms from anti-apartheid supporters of Barclays' involvement in the country.

And they did. Was he really maintaining that this had nothing to do with it?

"That's absolutely right," said Leslie. "This is a commercial decision; an entirely natural devetopment."

So political considerations did not affect the placing of its rights with the liberal Anglo-American Corporation and Southern Life? "They were naturals," said Leslie smoothly.

So the decision — taken a week ago — was in no way influenced by politics? "In no way."

Well, Leslie conceded, except in so far as economic and political factors usually formed an integral part of commercial decisions.

But wasn't this a very sensitive time for such a decision? The South African authorities had been very relaxed about it. Leslie responded relaxedly. And the market was right — or it might have been deferred.

Crime's money

The International Metalworkers' Federation produces a useful annual survey of comparative earnings in metal industries all over the world. It is based on the number of hours a worker has to pnt in to earn enough to buy things like a loaf, a TV set or a car.

The concept appears to have been difficult to grasp for one of the Federation's African affiliates. It has just sent e telex to the Federation's Geneva headquarters asking for a copy of "the comparison of the purchasing power of working crime."

Shah's sign

Fleet Street's new technology battle is beginning to hot up nicely — even during the holiday month of August.

Eddie Shah, whose plans to launch a new colour daily paper next spring are being watched with some nervousness on the part of other pop paper proprietors, has now moved his News UK staff into offices in London's Vauxhall Bridge Road.

And Shah's advertising agency, Wight, Collins, Rutherford, Scott, is planning to turn the advertising hoarding opposite into the biggest office notice board in town.

The board will be used to welcome new members of staff that Shah poaches from other papers, to amuse the estimated 10,000 office workers who pass by every day with witty messages, and generally to whet Londoners' appetites for the Daily Shah.

No firm announcements have yet been made about the new paper's title, or the exact date of its launch, however. Shah is too worried about the possibilty of counter-offensive campaigns from rivals such as Rupert Murdoch's Sun and Robert Maxwell'o Mirror.

Shah's official line is that he does not look over his shoulder to see what potential competitors are aup to. Which is just what the potantial competitors say themselves, of course.

Maxwell, wbo announced earlier this year that he was spending £10m on a Mirror promotion campaign, is outraged at the suggestion that one factor in his decision to cancel the rescue attempt for Sinclair Research might have been other commitments such as the need to fight off Shah.

"We're not worried about Mr Shah," he boomed when I asked him. "Everyone's asking abont Mr Shah bnt all he's getting is six colour presses at £1m and a bit a throw. "We're going to bave 20 colour presses at £3m each.

"Mr Shah? All Mr Shah's got is a peashooter—a peasbooter against . . . against a Big Bertha or a tank."

It seemed unkind to remind Maxwell about the encounter between David and Goliath.

Korean disease

The Korean Government is having some tronble selling the public its latest novelty—a proposed law that would empower a panel to incarcerate left-leaning students for np to six months.

During that time the Government would instruct them about the "erroneous" thinking of Karl Marx and other lefties.

The Government information ministry has been ringing foreign correspondents in Seoul this week to emphasise that tha students will not be sent to "Re-education Camps," as had at first been stated. The official word now is that they will be packed off to join a "Re-orientation Programme."

The opposition parties are still unconvinced. They say the law would violate the constitution, which provides that citizens be tried by a court of law.

Not so, says an official of the ministry of justice. The "Re-orientation Programme" is not a criminal punishment.

Anxious to explain further the purity of the Government's scheme, the official compared it with the euthority possessed by the Korean health minister to qnarantine anyone carrying certain diseases.

So far there is no word of Korea coming np with an innoculation against communism.

Off day

The morale to this tale seems to be that you can't expect to get it right every time.

A winding-up order has been made on a Bradford firm called Everlasting Services.

Observer

BASE LENDING RATES

A.B.N. Bank	11½%	■ Hill Samuel	§11½%
Allied Dunbar & Co.	11½%	C. Hoare & Co.	11½%
Allied Irish Bank	11½%	Hongkong & Shanghai	11½%
American Express Bk.	11½%	Johnson Matthey Bkrs.	11½%
Henry Ansbacher	11½%	Knowsley & Co. Ltd.	12 %
Amro Bank	11½%	Lloyds Bank	11½%
Associates Cap. Corp.	12 %	Edward Manson & Co.	12½%
Banco de Bilbao	11½%	Meghraj & Sons Ltd.	11½%
Bank Hapoalim	11½%	Midland Bank	11½%
BCCI	11½%	■ Morgan Grenfell	11½%
Bank of Ireland	11½%	Mount-Credit Corp. Ltd.	11½%
Bank of Cyprus	11½%	National Bk. of Kuwait	11½%
Bank of India	11½%	National Girobank	11½%
Bank of Scotland	11½%	National Westminster	11½%
Banque Belge Ltd.	11½%	Northern Bank Ltd.	11½%
Barclays Bank	11½%	Norwich Gen. Trust	11½%
Beneficial Trust Ltd.	12½%	People's Trust	12½%
Brit. Bank of Mid. East	11½%	PK Finans. Intl. (UK)	12 %
■ Brown Shipley	11½%	Provincial Trust Ltd.	12½%
CL Bank Nederland	11½%	R. Raphael & Sons	11½%
Canada Permanent	11½%	Roxburghe Guarantee	12 %
Cayzer Ltd.	11½%	Royal Bank of Scotland	11½%
Cedar Holdings	12 %	Royal Trust Co. Canada	11½%
■ Charterhouse Japhet	11½%	■ J. Henry Schroder Wagg	11½%
Choulartons**		Standard Chartered	‖11½%
Citibank NA	11½%	TCB	11½%
Citibank Savings	¶12½%	Trustee Savings Bank	11½%
City Merchants Bank	11½%	United Bank of Kuwait	11½%
Clydesdale Bank	11½%	United Mizrahi Bank	11½%
C. E. Coates & Co. Ltd.	12 %	Westpac Banking Corp.	11½%
Comm. Bk. N. East	11½%	Whiteaway Laidlaw	12 %
Consolidated Credits	11½%	Williams & Glyn's	11½%
Co-operative Bank	11½%	Yorkshire Bank	11½%
The Cyprus Popular Bk.	11½%		
Duncan Lawrie	11½%		
E. T. Trust	12 %		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	13 %		
■ Robert Fleming & Co.	11½%		
Robert Fraser & Ptns.	12½%		
Grindlays Bank	‡11½%		
■ Guinness Mahon	11½%		
■ Hambros Bank	11½%		
Heritable & Gen. Trust	11½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8.00%, 1 month 8.50%. Top Tier—£2,500+ at 3 monthly notice 11.25%. At call when £10,000+ remains deposited.
† Call deposits £1,000 and over 8% gross.
‡ 21-days deposits over £1,000 8.25%.
§ Mortgage base rate.
** See Provincial Trust Ltd.
¶ Demand deposits 8%.

Indonesia's resettlement scheme

Why 3.8m people are on the move

By Kieran Cooke in Jakarta

A pattern of islands with a population of 162m

TO SOME, it is an audacious experiment in social engineering, the largest voluntary resettlement of people ever attempted. To others, the Indonesian Government's transmigration programme is merely an extension of policies once followed by the Soviet Union and China in which, under the banner of national development, large numbers of people were herded into communes and settlements in isolated regions and left to scratch for a living.

The programme, which has so far received about $800m of foreign assistance, much of it funded by the World Bank, is becoming ever more ambitious. In the next five years alone, the aim is to move some 750,000 Indonesian families or 3.8m people. As these plans are put into effect, transmigration is coming under increased scrutiny both at home and abroad.

The official rationale for the transmigration programme is Indonesia's chronically uneven population distribution. According to the latest figures, Indonesia has a population of 162m, making it the fifth most populous nation. Of that number, nearly 100m are crammed into the islands of Java, Bali and Lombok, which together constitute an area not much bigger than England or about the size of Louisiana.

Java, representing only 7 per cent of Indonesia's total land area, has the doubtful distinction of being the most crowded island in the world, leaving aside such oddities as Singapore or Manhattan. It has a density of about 700 people per sq km. Elsewhere in Indonesia, the situation is radically different. On Kalimantan, or what was once called Borneo, there are 12 people per sq km: in the most easterly Indonesian province of Irian Jaya, there are only five people per sq km.

The former Dutch colonial administration started moving people out of Java early this century to work plantations and spice gardens in other islands. But it is only in the last 15 years, under the five-year development plans of President Suharto's government, that transmigration has become an integral part of policy. Official figures say that, since the late 1960s, a total of 650,000 families or 3.2m people have been moved, most of them to the south and central portions of Sumatra and to the island of Sulawesi.

People normally volunteer for the programme: they must be married, healthy, and aged under 40. The government clears the land, provides each family with a two hectare plot, a house, and food for one year, plus a supply of seed and farming equipment. Ideally, each transmigrant community should consist of about 2,000 families divided into four units. The government is responsible for building the roads, schools, medical services and other infrastructure. After five years the transmigration site is supposed to function as an independent community, and to need no government assistance.

Estimates are that for every transmigrant family to be resettled, it costs between $10,000 and $12,000. So far, about $3bn has been spent on the programme. Most observers see government policy as basically well intentioned. There are serious social dangers if the population squeeze on Java is allowed to continue: environmental catastrophe could take place if there is no action. But equally it is clear that transmigration can do little more than dent Java's population problem and that the government has other motives, too. Transmigration is an effective way of spreading the influence of the Javanese—the dominant group in the country—throughout the archipelago.

The powerful head of the armed forces, General Murdani, recently said that transmigration helps to disseminate knowledge and understanding of state ideology, political attitudes and cultural value to what he called the "relatively naive local resident."

"Transmigration supports not only security and defence, but also national resilience," he said.

Such motives may well apply in East Timor, where the government plans to settle more than 6,000 families over the next five years. It has also been pointed out that transmigration spreads the influence of Islam from Java to other predominantly Christian areas such as East Timor and Irian Jaya.

Throughout Indonesia there are model transfiguration sites, and there are others which are far from perfect. In some long-established sites in south Sumatra, people who were once landless peasants are now growing all their own food and selling a surplus. Some have moved into cash crops.

But a transmigration site outside the town of Samarinda in East Kalimantan presents a very different picture. There, transmigrants have laboured hard on very poor land producing vegetables to sell at market: yet the road out of the site is impossible for much of the year and produce is left to rot. In central and southeast Sulawesi, there have been riots by transmigrants angry about their conditions. Some have returned to Java.

Many of the problems encountered so far are the result of a lack of trained or committed government personnel, and officials overly anxious to fulfil what have been considered to be unrealistic government targets and quotas. Government in Indonesia is very centralised and hierarchical: officials often have to travel a distance equivalent to that between Athens and London to obtain a relatively minor decision in Jakarta.

> People normally volunteer fort he programme —they must be married, healthy, and under 40 years of age

This centralisation of authority could, in itself, be said to contribute to the concentration of people in Java. "The Javanese officials," said one foreign aid worker in Kalimantan, "look down on the outer regions. They come to transmigration sites and don't want to get their shoes dirty."

Future plans are likely to run into great difficulty as the government tries to move nearly 800,000 people a year. The Javanese like to describe their island as the nail from which the rest of the world hangs: it is a statement not only of cultural superiority, but also a reflection of Java's richness. A common saying is "put a stick into the soil of Java and it will sprout and grow." Java's volcanic soils are some of the most fertile in the world. Elsewhere, Indonesia is not so blessed. Areas with suitable soils in Sumatra and Sulawesi have already been settled.

In Irian Jaya, the Government plans to settle 150,000 families or about 700,000 people over the next five years. Already thousands have been settled there and land is being cleared for a further large influx. But an Indonesian working on a rural community development programme in the province says the Government's targets are unrealistic. "There is a myth of the emptiness of Irian Jaya," he said. "Despite its massive land area, most of the province is not suitable for cultivation and the areas that are, have already been densely settled."

There are other factors which call in to question government plans in the province. Irian Jaya, the former Dutch New Guinea, was surrendered by the Netherlands to Indonesia in the early 1960s with the provision that the population in the territory, almost all ethnically Melanesian, would be given the choice of independence. An "Act of Free Choice," overseen by the UN, took place in 1969. The result—which was overwhelmingly in favour of integration with Indonesia—is still a highly contentious issue within the province, and in other predominantly Melanesian countries in the West Pacific. The population of Irian Jaya is now about 1.2m. The influx of about 750,000 transmigrants of a very different ethnic background is certain to threaten the existence of Melanesian culture in Irian.

The indigenous people of Irian have little in common with Javanese immigrants. They have a sacred, almost mystical attachment to the land, which is looked on as the property of their ancestors and of the spirits, and not of the government. They are nomadic people who do not take easily to government plans to resettle them. The Javanese are part of the rice culture: the Melanesians in Irian eat sweet potatoes and yam and above all venerate pig—an animal abhorred by the Moslem Javanese.

Anxieties over the transmigration programme and disputes over land rights are said to be one reason for more than 10,000 Irians crossing over the border into Papua New Guinea over the last 18 months. People are also said to have been frightened by increasing conflict between the Indonesian military and a Melanesian rebel group in Irian Jaya, which is resisting Jakarta's rule.

The official answer is that as Irian Jaya is part of Indonesia, so the province must contribute to the country's overall development. Irian Jaya's governor, Mr Isaac Hindom, a Melanesian, says he is proud to offer Java a place where it can develop. "Java needs us as we need Java.... We can work together to build the country."

Irian Jaya is, along with East Timor, one of Indonesia's restricted areas where visits by foreign journalists or other groups are either not allowed or very strictly controlled. "Even we don't really know what is going on there," said a Papua New Guinea official. But if Indonesia persists with its transmigration plans, there could be serious problems in the years ahead."

The World Bank is one of the principal sources of transmigration funds and has so far made available about $600m to the programme. This includes a recent grant of $160m for site selection and reconnaissance work, much of it in Irian Jaya. The Bank is extremely sensitive about its involvement in transmigration — as one official in Jakarta said: "An awful lot of agonising goes on both here and in Washington about our role."

The official said he recognised there was a political problem in Irian Jaya, one which could not be avoided. But, he said, the Bank remained a firm supporter of transmigration and recognised the province as an integral part of Indonesia. He said he was satisfied that tribal rights in Irian had been safeguarded and that although there were problems, it was far better for the Bank to stay within the system and try to make it work.

Generally, the World Bank defends the transmigration programme by pointing out that though expensive, it is a far cheaper way of soaking up Indonesia's growing pool of unemployed than building industries or other schemes. It also does much for infrastructure development in remote regions. Critics argue that money would be far better spent on land reform in Java and other islands. They also say the government would do better to concentrate its energies on birth control, and, as is the case with China, aim at zero population growth.

There is also evidence that transmigration is not always voluntary. In some cases, people have been "persuaded" to join the programme when their land is needed for other development, as was the case with a major dam project in central Java in the mid-1970s. Some village chiefs have also used the programme as a convenient way of getting rid of certain "undesirables."

Recently there have been signs that parts of the transmigration programme are under review. There are increasing financial constraints, and although the government plans to spend $3.5bn on the programme over the next five years —a large proportion of which will be foreign funded—the allocation as a proportion of the overall development budget is actually dropping.

Lombard

When companies plan long-term

By Guy de Jonquieres

"THE STOCK market isn't interested in the long term" is a well-worn complaint from companies on both sides of the Atlantic, as often as not after their share prices have dipped in response to a profit setback. The implication is a breach of faith, by shareholders who, through an obsession with making a quick buck, prevent managements from taking far-sighted measures to secure the future of the business.

The argument merits a closer look after the recent debecles at Thorn EMI and STC, two leading British electronics companies which made expensive acquisitions last year in pursuit of long-term strategic goals. Both have since reported disastrous results after the abrupt resignations of their chairmen and chief executives.

It is hard to argue that either company came to grief because of inadequate shareholder support. True, neither Thorn's rationale for its £130m purchase of microchip maker Inmos nor STC's enthusiasm for the supposed benefits of its £411m merger with computer company ICL was widely shared elsewhere. But shareholders did at least stump up cash to finance the deals.

Nor did the companies falter principally because of the credibility, or otherwise, of their long-term strategies. Their real problems were decidedly short-term ones. The evidence suggests that, in both cases, the men on the bridge simply became so entranced with far horizons that they failed to notice until too late the black smoke billowing from the engine room.

Thorn and STC are, of course, not alone in being caught out by the slump in world components markets. It is arguably much more worrying that both have also taken a beating in long-established core businesses, on which they were relying to underpin profits until their expansion schemes began to pay off.

Thorn has been hit by losses in television manufacturing, partly because it has not built on productivity improvements achieved by automation in the late 1970s. At STC, the severest profit setback in the first half of this year was in telecommunications, the bedrock of its operations.

STC's sudden reverse is all the more surprising in view of its rigorous financial reporting system, a legacy from its former majority owner ITT. Normally, the system should have detected trouble ahead. That it apparently did not may have as much to do with the way in which its findings were interpreted as with the quality of the figures it produced.

Reading the signals has become a lot harder for STC in the past three years. Not only has telecommunications liberalisation shattered its cosy traditional relationship with British Telecom; it must *also* learn to survive without the elaborate support systems and protective embrace which went with being an ITT subsidiary.

Adjusting to these upheavals would be challenge enough for any management. In retrospect, for STC to have taken on the additional task of absorbing a company the size of ICL and of trying to integrate the two businesses into a coherent whole looks over-ambitious. Then to have answered analysts' increasingly anxious questions about current trading performance with airy lectures on the virtues of long-term strategy served only to create further perplexity about what the company was up to.

High-technology companies face a genuine dilemma reconciling huge capital and research and development spending requirements with the risky and volatile nature of the markets in which they operate. It is not impossible, however, to finance projects which may take time to yield returns: a case in point is Racal's multi-million pound investment in a cellular radio network.

Such ventures require investors to place a lot of faith in the vision and ability of managements. The lesson of the Thorn and STC episodes is that when contemplating grand designs for the future, a blueprint, however detailed, is not enough; shareholders also need to be convinced that the existing foundations are strong enough to bear the weight of the completed structure.

Letters to the Editor

No more need for Sanko

From Mr A. Goldman

Sir,—Your shipping reports in recent months have pulled no punches in their analysis of the state of shipping and its causes. But you have not applied this analysis to Sanko ("The hole in the safety net," August 13) which you portray more as a casualty than as a cause. What has happened may be a "major setback for the Japan Inc theory" as far as the banks are concerned but it encourages the theory that Sanko has for at least ten years been one of Japan Inc's major commercial tools. The 1982 125 bulk carrier order you cite is a very good example of this in action. The order appeared miraculously at a moment of crisis for the Japanese shipbuilding industry when time was needed to reduce and reorganise capacity and redeploy shipbuilding skills. The impression that Sanko was supported by Japan Inc attracted the enormous amount of foreign funding that you describe but kept recourse for this funding minimal in terms of overall strategy.

Japan is the country that suffers least (some prefer benefits most) from keeping shipping rates low. With far too much shipbuilding capacity in the world, shipping rates are likely to remain low for the foreseeable future. Japan now sells services and equipment to other countries who build ships and whose shipbuilding operations are largely loss making: it no longer needs Sanko.

Your article seems to say that Sanko is a typical—albeit the biggest—example of how a speculator gets hurt when a market collapses. If Sanko is now allowed to collapse it is simply that it has outlived its use.

Your comment that "the rest of Japan's shipping industry is waiting nervously to see if Sanko's problems will damage their standing internationally" is at best naive. Sanko's activities have long been considered maverick—impervious to shipping market trends for whatever reasons you choose to ascribe.

The vast proportion of Japanese shipping companies are part of the large groups that make up Japan Inc. Japan Inc and the Government will decide Sanko's future based on what they consider best for Japan—what's new?

A. J. S. Goldman,
Baltic Union Shipbrokers,
33 Dover Street, W1.

Footing the bill

From Mr R. Freeman, MP

Sir,—Nancy Dunne (August 12) set out very clearly the pressures upon President Reagan to impose import quotas on leather footwear. What was not part of the article were the consequences for our own industry.

Our export trade to the U.S. would be damaged but the greater part is higher grade men's shoes which may continue to enjoy some fashionable preference. What would be more harmful would be the switching of perhaps 150m pairs per annum by low cost non-European producers to low tariff markets like the EEC. Import penetration levels in the UK, already at 60 per cent, would rise higher because the EEC triff is only 8 per cent, amongst the lowest in the world. Canada, Australia and Japan, for example, have tariffs about three times as much.

One can understand the problems the American footwear industry has had with a strong dollar but this is now abating. The UK suffered the same problems in 1979 to 1981 and our industry contracted sharply. The Government should continue to urge the Americans not to impose blanket tariff increases. It has not been the EEC producers who have disrupted the American market but rather Brazil, Taiwan and South Korea. Why should the UK industry suffer further because sensible trade agreements have not yet been negotiated with these countries?

Roger Freeman,
10, Dingly Hall,
Dingly,
Nr. Market Harborough,
Leics.

Control at the turnstile

From Mr K. Ludvigsen

Sir,—Jane Rippeteau (August 12) well portrayed the electronic aspect of the identity card systems being proposed to admit only approved supporters to football grounds. Less attention, if any, seems to have been given to the entry gate itself, where the system could well founder if conventional turnstiles are used.

Clearly it is no good having the turnstiles simply block the entry of a blacklisted supporter. This would lead to intolerable blockages and arguments at entry gates. A new type of turnstile is needed that will admit all supporters and have two exits: one into the grounds and the other back to the street. The validity of the identity card will determine which exit the turnstile automatically offers the supporter. (It goes without saying that ground managers would have to have a method of dealing with special situations.) Only a turnstile or gate that can achieve this will be workable. This represents as important a market for the innovative company as the electronic element.

K. E. K. Ludvigsen,
105-106, New Bond Street, W1.

Teachers' hours

From Mr R. Hopkinson-Woolley

Sir,—I have taught in both the independent and state sectors since 1960. I do not think I have ever worked less than 2,000 hours in the year and I now work more. This is true of nearly all of the teachers with whom I have had the good fortune to work. I am sorry to see what I regard as a solecism in the leading article (August 12) of the best newspaper in Britain: teachers do not work 25 to 30 per cent fewer hours than other people; those that do—we have failures in every walk of life—are not doing an adequate job and should not be teaching.

R. A. Hopkinson-Woolley,
Pengwern House,
Oakley Street, Shrewsbury.

American Express cards

From Mr T. Edwards,

Sir,—I refer to the piece by Kathy Evans (August 10) regarding the issue of American Express cards to women.

Approximately 12 months ago my wife, who is employed by my company as an account executive, decided to apply for an American Express card in order to take care of personal expenditure.

Her gross income is around three times the minimum stated in the piece by Margaret Hughes in the same edition, to qualify for 30 points. Additionally she holds a worthwhile shareholding in a family business which can only be described as substantial and long established.

Like your Kathy Evans, American Express in Brighton *refused her application.*

As I had used an American Express card in my business, also giving one to my secretary, for some years, I called the relevant executive at the American Express office, explaining this and giving extra details of my wife's background not included in the application form, and invited him to change his mind.

The only response I received was that my wife should reapply in 6-months, or that she could receive a card on my company's account. As the card was required solely for personal expenditure this was not suitable.

I should say at this point that I also used another card for my business.

I advised my wife to apply for a similar second card, which she subsequently received without difficulty, in fact she took the opportunity to obtain two of them, one for personal use and one for her business expenditure, something not offered by American Express and a facility she has since found invaluable.

I returned my American Express card and that of my secretary to the company, together with a letter addressed to the chairman, explaining my actions, and pointing out the loss of a substantial customer. I also arranged for my secretary to receive a company Diners card.

I have never received a reply to my letter.

Trevor Edwards,
28, Lords View,
St. John's Wood Road, NW8.

Currency options

From Mr J. Parry

Sir,—Mrs Clara Furse's letter (August 10) on the relative advantages of traded versus over-the-counter currency options extends the irrelevant view that these instruments compete directly for the same client business.

This is not so. OTC options can be written for specific currencies, amounts and dates to suit the exact needs of a client. For that precision the client must expect to pay a higher cost and may not pass on the option to a third party.

Traded options offer third party flexibility but, being available in only few currencies and for standardised amounts and dates, create new problems for a client using them purely for hedging (as opposed to speculating). They are, however, cheaper, and they are used differently.

OTC writing banks would prefer to write options from both sides of the book, offsetting their buying and selling exposures. When they do not achieve this they often use exchange-traded options to cover their net exposure. OTC and exchange-traded options are complementary.

John H. Parry,
Options Futures Society,
6-8, Crutched Friars, EC3.

Missing Mini Traveller

From Mrs D. Thompson

Sir,—Alas, unlike the Renault 4 the Mini Traveller did not get a reprieve. Like Mrs Dorothy Evans (Motoring August 10) I too shall drive my 1978 model until it is condemned to the scrap heap.

Could "they" have got it wrong—nothing but nothing is on the market that equals this practical, economical car. Perhaps a rethink and a revival is possible?

Mrs D. Thompson,
Close-y-Chiarn, 4 The Crofts,
Castletown, Isle of Man.

FINANCIAL TIMES
Thursday August 15 1985

FORMAL DEADLINE TODAY FOR FRENCH AND SPANISH DECISION

Eurofighter plans take off

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN LONDON

BRITAIN, West Germany and Italy are drawing up plans for the development of the new European fighter aircraft on the assumption that neither France nor Spain will decide to join the project.

The plans are being formulated despite moves in Paris and Madrid last night which seemed to signal that the French and Spanish governments are attempting to coordinate their positions on the project.

M Charles Hernu, the French Defence Minister, left for Madrid yesterday for talks with Sr Narcis Serra, his Spanish counterpart. The unexpected meeting was being seen in Paris as an attempt to bring Spain into harmony with France over possible joint production of a separate fighter jet.

The visit comes as the formal deadline for France and Spain to join the project expires today. The deadline was set on August 2 when Britain, Germany and Italy decided in Turin to go ahead without France and Spain on a new European fighter for the 1990s.

The plans now being formulated by the three nations involve detailed work to define the configuration of the new aircraft with the aim of beginning full development by September 1986. Production of about 650 aircraft would begin in 1992 with the aircraft entering service in 1995.

British officials now rule out the possibility that France will rejoin the project, and the Government's attempts to persuade Spain to join have so fair failed, despite the fact that in the feasibility studies conducted on a five-nation basis over the past year, Spain identified with the heavier, three-nation aircraft.

However, the precise intentions of France remain a mystery to its partners. Yesterday, Chancellor Helmut Kohl suggested that Bonn had not given up trying to explore ways of reviving French participation in the project.

Meanwhile in London, suggestions that France and the three nations might co-operate on development of a new fighter engine rather than on the aircraft as a whole were firmly discounted last night by Sir Raymond Lygo, managing director of British Aerospace, the major British contractor on the project. Co-operation had to be on the whole aircraft – and on the terms agreed in Turin – or nothing, Sir Raymond said.

The Turin meeting at which the three-nation aircraft was agreed brought to an end nearly two years of negotiations between the five nations aimed at agreeing specifications for a new fighter.

There has been considerable relief in Britain in particular thet work is now to go ahead only with Germany and Italy, partners with Britain in the Tornado multi-role combat aircraft since 1969.

Officials of the three governments and industry representatives are losing no time in drawing up next year's work schedule.

In Turin, the three governments agreed to proceed to the project definition phase, under which they will define the aircraft more closely. They hope to have chosen its design configuration by the end of this year, and have decided on the major systems involved by next March.

Joint management proposals should be agreed by December, while quotations and estimates of the project's costs should be agreed by spring.

Oman in £250m Tornado deal

BY OUR DEFENCE CORRESPONDENT IN LONDON

THE TORNADO fighter bomber, built by the UK, West Germany and Italy, has achieved its first export sale. Eight of the air defence version of the £17m ($23.5m) aircraft are being bought by Oman.

The total value of the order, including training, support and weapons, is worth more than £250m, Sir Raymond Lygo, managing director and chief executive of British Aerospace (BAe), said yesterday. BAe is one of the partners in the multinational aircraft.

The Oman deal is being covered by the UK Export Credits and Guarantee Department. Sir Raymond described the sale, which includes an option to buy possibly another four aircraft, as a "breakthrough" for the Tornado.

The three nations are jointly producing a total of 809 aircraft, with more than half baving been delivered to the Royal Air Force, the Luftwaffe and the Italian air-force.

Both versions of the aircraft – the F2 air defence variant being bougbt by Oman and the Interdictor strike aircraft – are produced by Panavia Aircraft GmbH, a trinational company set up by British Aerospace, Messerschmitt-Bölkow-Blohm and Aer Italia. As the RAF is the only air force buying the F2, negotiations for the Oman sale have been conducted by BAe.

The eight aircraft will be supplied in about two years' time from the 165 air defence aircraft already on order for the RAF.

Sir Raymond said that the sale to Oman had raised hopes that more aircraft would be exported, particularly to the Middle East.

British Aeropace believed a year ago that it had negotiated a £1bn deal with Saudi Arabia involving 20 Tornado and 24 Hawk trainer jets. However, France then stepped in with an offer to provide an updated version of its Mirage 2000 and, despite visits to Riyadh by British ministers, Saudi Arabia continues to delay a final decision.

The UK and Oman maintain close political relations and the Gulf state's 21,000-strong armed forces have been almost wholly supplied and trained by Britain. The Oman sale, therefore, may not necessarily provide a reliable guide to other potential customers in the area.

Outside the Middle East negotiations for Tornado sales have been conducted with Greece, Turkey and Spain, against competition from the U.S. and, to a lesser extent, France.

British Aerospace said yesterday that the final fixed prices of the first 850 aircraft were some 6 per cent in real terms below the maximum binding prices agreed with the three governments 10 years ago. Substantial export sales would obviously greatly help to offset an investment believed to stand at about £20bn in current prices.

The F2 is a two-crew, twin-engined fighter for long-range interception and air defence in all weathers. The eight Omani aircraft will be equipped to the standard of those flying with the RAF.

SKF profits increase 55% in first half

BY DAVID BROWN IN STOCKHOLM

SKF, the world's leading manufacturer of roller bearings, yesterday reported a 55 per cent rise in profits, after financial income, for the first six months to SKr 803m ($96.9m) against the SKr 517m achieved during the corresponding 1984 period.

However, weak markets and beavy price competition in the U.S. have forced an extensive and what the management describes as a "costly" restructuring programme in the American roller bearings operations.

European markets, meanwhile, have continued to develop strongly especially for roller bearings in France and West Germany.

Turnover rose by 11 per cent to SKr 10.03bn. Operating income after depreciation climbed 31.8 per cent to SKr 812m.

The group reported an SKr 78.5m decline in net financial costs. Exchange rate fluctuations produced a SKr 11m income, a SKr 18m improvement.

The large roller bearing division said sales rose 12 per cent to SKr 7.08bn. Income rose 53 per cent to SKr 582m, but heavy costs for restructuring and intensified marketing efforts in the U.S. operations are expected in the second half.

In the steel division, sales climbed 18 per cent to SKr 1.78bn but the result fell 68 per cent to SKr 22m due to heavy running-in costs for a new production facility.

All other divisions showed strong improvements in both sale and profits. Income at the cutting tools and other products divisions more than doubled to SKr 113m and SKr 86m respectively.

Austrian group plans London share placing

BY PATRICK BLUM IN VIENNA

JUNGBUNZLAUER, a leading Austrian manufacturer of biotechnology products, will sell shares representing 30 per cent of its capital in London and Vienna next month.

This will be the first international placement by an Austrian company, according to the Girozentrale Bank, one of the leaders of the consortium responsible for underwriting and distributing the shares in Austria.

Montana für Bergbau, Industrie und Handel, a diversified holding company, holds 98 per cent of Jungbunzlauer's shares. Montana is owned by Herr Karl Kahane, an Austrian businessman with widespread interests in Austria and elsewhere.

Jungbunzlaner made after-tax profits of Sch 70m ($3.5m) last year on turnover of Sch 703.7m, according to its financial adviser, S.G. Warburg.

Shares representing 10 per cent of Jungbunzlaner's nominal share capital of Sch 50m will be sold in London, with twice as many sold in Vienna.

The shares will be listed on the Vienna bourse, but not on the London Stock Exchange where it is expected they will be sold directly to institutional investors. The price for each nominal Sch 1,000 share will be fixed before placement.

The London placing will be made by S.G. Warburg, Rowe and Pitman, Akroyd (Rowak) and Gilbert Eliott. Leaders of the underwriting consortium in Austria include Creditanstalt Bankverein and Österreichische Landerbank in addition to Girozentrale Bank.

Business leaders press Pretoria for major reforms

Continued from Page 1

blacks' right to South African citizenship.

- The abolition of influx controls, by which the state regulates the movement of blacks and the duration of their stay in certain areas, "by a target date – say June, 1986."
- The immediate institution of the option of freehold titles for blacks, with the private sector playing a greater role in the provision of housing.
- The establishment of a single Ministry of Education "setting realistic goals for redressing inequalities with target dates for proposed achievement."
- The end of the state of emergency declared last month "at the earliest possible date" and the appointment of ombudsmen to investigate allegations of police brutality.

The speech was accompanied by the foundation's 1985 annual review which contains an indictment of the country's influx control.

Mr Steyn's agenda is likely to serve as a yardstick by which many will judge President Botha's address in Durban tonight to the Natal congress of the ruling National Party.

Dr Andries Treurnicht, leader of South Africa's Conservative Party, began making political capital yesterday out of a speech on Tuesday night by Dr Gerrit Viljoen, a senior government minister, in which he warned the country's youth that it faced "many and drastic changes."

Dr Treurnicht, whose party stands well to the right of the National Party, called on President Botha to "publicly repudiate" sentiments which if true "will in effect lead to the end of self determination for whites."

Barclays Bank cuts South African stake to 40%

Continued from Page 1

were mainly commercial, though it acknowledged that the move was "politically convenient."

Barclays has always maintained that its presence in South Africa was "a force for good." Mr Leslie said that Barclays believed this would continue to be true even though it would no longer exercise control over Barnet. Barn t's board had made plain its opposition to apartheid, and Mr Leslie said: "We have no doubt at all that they will maintain these policies." Barclays' four representatives on the 24-member board will remain.

Anglo American and Southern Life are already substantial shareholders in Barnet and have directors on the board who subscribe to the bank's policies on equal opportunity. Anglo's stake will rise from 18 per cent to 25 per cent, and Southern Life's from 4 to 8 per cent.

Stock analysts noted last night that Barclays' decision not to subcribe to the rights issue may also have been influenced by Barnet's poor performance recently. Its profits fell last year after it failed to anticipate a sharp rise in interest rates. In the first half of this year they were also down: net income was R30, compared to R35.7m in the first half of 1984. However, Barnat is forecasting in its rights issue documents that profits for the whole of 1985 will be level with those for 1984,

Barnat accounts for about 8.5 per cent of Barclays' total assets of £71bn and, in the first half of this year, contributed about 1 per cent of Barclays' profits.

News of a pending announcement from Barclays yesterday sparked off lively trading in its shares, which drove the price up 15p to 400p in London. When the Barnat disclosure came in mid-afternoon, however, the shares fell back to close unchanged at 385p.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	27	81	Dubrovnik	S	32	90	Malaga	S	25	77	Salzburg	S	31	88
Akrotiri	F	31	88	Faro	S	25	77	Malta	S	33	91	Seoul	S	29	84
Algiers	S	30	86	Florence	S	36	97	Manila	—	—	—	Singapore	F	30	86
Amsterdam	S	27	81	Frankfurt	S	30	86	Miami	—	—	—	Stockholm	S	22	72
Athens	S	33	91	Funchal	S	26	79	Milan	S	30	86	Strasbourg	S	32	90
Bahrain	S	38	100	Geneva	S	28	82	Moscow	F	23	73	Sydney	S	17	63
Bangkok	—	—	—	Gibraltar	S	26	79	Munich	S	31	88	Taipei	—	—	—
Barcelona	S	27	81	Guernsey	S	16	61	Nairobi	F	22	72	Tangier	S	33	91
Beirut	—	—	—	Helsinki	F	21	70	Naples	S	32	90	Tehran	—	—	—
Belgrade	S	32	90	H. Kong	C	27	81	New Delhi	C	30	86	Tel Aviv	S	30	86
Berlin	S	30	86	Innsbruck	S	29	84	New York	—	—	—	Tenerife	S	28	82
Biarritz	F	24	75	Inverness	S	15	59	Nice	S	29	84	Tokyo	S	31	88
Blackpool	S	15	59	Istanbul	S	30	86	Oporto	S	22	72	Toronto	—	—	—
Bordeaux	F	23	73	Jersey	F	16	61	Oslo	F	17	63	Tunis	S	32	90
Brussels	F	28	82	Jo'burg	S	22	72	Paris	T	20	68	Valencia	S	29	84
Budapest	S	31	88	Las Palmas	S	25	77	Prague	S	28	82	Venice	S	33	91
B. Aires	—	—	—	Lima	—	—	—	Reykjavik	S	16	61	Vienna	S	30	86
Cairo	S	34	93	Lisbon	S	25	77	Rio de J'o	—	—	—	Warsaw	F	30	86
Cape Town	F	17	63	Locarno	S	25	77	Rome	S	31	88	Zurich	S	31	88
Caracas	—	—	—	London	C	17	63								
Casablanca	S	27	81	Los Angeles	—	—	—								
Copenhagen	S	22	72	Luxembourg	S	27	81								
Corfu	S	35	95	Madrid	S	29	84								
Dublin	C	14	57	Majorca	S	29	84								

Readings at mid-day yesterday.

C-Cloudy D-Drizzle F-Fair Fg-Fog R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Profits for UK insurers

Continued from Page 1

23 per cent in operating expenses. Over the half year, losses were $124.4m.

GA saw its U.S. underwriting losses over the half year reduced from £71.5m to £62.8m.

Both groups reported that they had made substantial increases in premium rates on their commercial business in the U.S. without any significant loss of business.

CU reports that it has been increasing its rates on commercial insurance business by around 30 per cent on average without losing much business in the process.

A similar optimistic picture of rate increases is reported by GA. The full benefits of these rate increases is expected to come through in improved profit figures in the second half of the year and for 1986.

CU reported underwriting losses over the half year cut from £49.7m to £29.9m after a very successful second quarter trading. The company's rate increases made last year and this year in both commercial and personal insurance business in the UK is now coming through.

However, GA reported a substantially higher underwriting loss in the second quarter in the UK up from £1.8m last year to £12.4m, leading to losses over the half year up from £32.9m to £43.3m.

Britain probes group linked to JMB

By Terry Povey in London

MR ALEX FLETCHER, Britain's Minister for Corporate and Consumer Affairs, yesterday ordered Sumrie Clothes to allow its books and papers to be examined by officials of the Department of Trade and Industry.

In July, allegations were made by various members of parliament against Mr Michael Hepker, chairman of Sumrie Clothes, concerning his dealings with Johnson Matthey Bankers (JMB), which was rescued last year by the Bank of England.

A former chief executive of Sumrie has also alleged breaches of Britain's Companies Act over the way Mr Hepker gained control of the company and certain subsequent transactions.

Mr Hepker said yesterday that the minister's action "was only to be expected given the kind of publicity there has been." He added: "We welcome an inquiry and have nothing to hide."

JMB is owed £1½m (about $2m) by Ravensbury Investments, an offshore company represented in the loan discussions with the bank in 1981 by Mr Hepker. The purpose of the loan was to finance the development of a site in Barry, South Wales, for a supermarket.

That development has not taken place, and Mr Hepker insists that, while he now owns the property assets pledged to cover the JMB loan, he has no connection with Ravensbury.

On Mr Hepker's valuations, JMB stands to lose some £400,000 on this loan if the assets are realised. Last week JMB and Mr Hepker agreed to the appointment of a joint agent for the disposal of the commercial site.

While there is no direct link between the quoted Sumrie and Ravensbury, the complex group of offshore companies associated with Mr Hepker are indirectly connected to the clothing company. Mr Hepker also tried (and failed) to get Sumrie to buy one of the companies whose assets were pledged to JMB to provide security for the loan to Ravensbury.

Yesterday morning, two officials from the Department of Trade and Industry, to which Mr Fletcher is attached, visited Sumrie in Leeds and are expected to spend some days looking through the company's books and papers before deciding what to bring back to London.

They will later report on their findings – a report which will not be published as inquiries under this section of the Companies Act are confidential.

Mr Hepker has offered full co-operation to the officials and is urging them to investigate a share transfer concerning Sumrie and its former chief executive, Mr Pat Benson.

Mr Hepker exercises control over Sumrie thanks to support from offshore companies and individuals associated with him which control between them at least 35 per cent of the issued shares. At last week's annual general meeting of the clothing company, no supporters could be found among the shareholders attending for three key resolutions. However, all were carried thanks to proxies cast in their favour amounting to just under half of the 2.5m shares in issue.

The Department of Trade yesterday refused to elaborate on the reasons for the move by Mr Fletcher. Although there must be "good reason" to make such inquiries, the department is under no obligation to say what these are.

JAL president to resign over crash

Continued from Page 1

tigation of the accident was completed.

JAL, which is 35.7 per cent owned by the Japanese Government, came under heavy selling pressure on the Tokyo Stock Exchange, losing Y410 yesterday for a two-day loss of Y1410, closing at Y6190.

A delegation from Boeing arrived in Tokyo yesterday to help to investigate the disaster. By evening, only 121 bodies had been recovered and only 45 of those identified. Some 4,500 police and self-defence personnel are carrying out the grim search for the victims.

- Japanese Transport Minister Tokuo Yamashita, who is in charge of investigating the JAL crash, travelled on the doomed plane on the same day that it crashed, Reuter reports from Tokyo.

Mr Yamashita flew on the airliner from Fukuoka in southern Japan to Tokyo. It later took off for Osaka in western Japan, but crashed into a mountainside shortly after departure.

THE LEX COLUMN

Black ink for the insurers

Commercial Union's directors were not quite dancing on the boardroom table yesterday morning but after almost two years of consistent quarterly losses it was not surprising to see their faces light up with the announcement of a pre-tax profit for the second three months of the year.

The surplus of £5.4m is neither here nor there for a company of CU's size but at least the results are now moving in the right direction.

The share price promptly jumped 13p to 229p, at which level the yield of 7.5 per cent is beginning to anticipate an increase in the dividend rather than discount the possibility of a cut.

CU itself is wisely playing down the chances of a spectacular increase in profits, at least for the next year. Even after an average 30 per cent increase in U.S. commercial rates, the group is a long way from making money across the Atlantic and there must be a reasonable chance that the cunning use of a pension fund surplus and a reinsurance arrangement to bolster loss reserves will be supplemented by more straightforward reserving at the year-end.

Meanwhile, CU's tax profile means that the pre-tax profit will not flow cleanly to the bottom line. This year it may very well make a pre-tax profit and show a deficit after tax and minorities.

But, while euphoria may be out of order, the improvement in CU's U.S. results is at least borne out by the experience of General Accident, which has shown an £8.4m reduction in its U.S. underwriting deficit during the second quarter. To judge from the studied optimism of both companies about the prospects for 1986, writing insurance risks in America may at last be a way to make money.

In the UK, the experience of the two companies is more divergent. Fortune has favoured CU, which has less exposure to the depressed motor account and appears to have escaped from the second quarter with a much lower incidence of claims in the commercial fire account. General Accident's second quarter profit of £18.2m gives it a decent chance of making £60m pretax for the year. That would presumably permit a 2p increase in the final dividend, putting the shares on a yield of 4.9 per cent. That is much lower than CU's but then, even after yesterday's cheer, GenAc is a different investment proposition altogether.

Barclays

Having pumped itself up for nothing less than a Barclays' announcement of total disengagement from South Africa, the market was a touch disappointed with mere dilution of its majority stake in Barclays National Bank. Following with remarkable precision the example of Standard Chartered, Barclays has refrained from taking up a rights issue in its subsidiary, thus dropping its holding to just over 40 per cent.

In the fevered atmosphere of the Johannesburg stock market the opportunity was too good to miss.

Even the half-way house of dilution should be modestly helpful to Barclays' investment image, since South African associates are less embarrassing than subsidiaries. Moreover, deconsolidating Barnat produces an immediate improvement of half a point in Barclays' free capital ratio, without any perceptible dent in earnings. It does not, however, reduce the amount of capital tied up in Barnat.

Placing the Barclays' entitlement with Anglo American and Southern Life to create a controlling investor group in South Africa has also enabled Barclays to sketch in the programme for a transition to a fully South African identity, though hasty retyping of the press release indicates some uncertainty as to the moment at which this can be recognised by a change of name. At some point – when Barnat starts to compete with Barclays in New York, for example – Barclays is sure to find o reason for actually selling part of its holding. Perhaps that would be the right moment to relaunch Barnat as the Anglo American Bank.

Tricentrol

It is not every day that a large oil company sells o good part of its entitlement to a field knnwn to contain oil. It is all the more surprising that the company is Tricentrol, which has not been known lately for tailoring its ambitions to its ability to finance them.

Tricentrol would, anyway, have been required to give up control of its share in the Talisman field to an Australian company by the time production began. But Tricentrol chose to portray its arrangement with Ampol as a debt-reduction exercise, since Ampol will now shoulder all or almost all of the development costs.

This merely highlights the dilemma which Tricentrol's expansion poses for its shareholders. These may be willing to tolerate the sort of performance shown in yesterday's more or less unchanged pretax profit of £8.7m in the second quarter – but only in the hope of a tripling of production in 1988.

After raising £79.4m net so far this year through issues of convertible loan stock and Eurobonds with equity warrants, Tricentrol's debt represents on the most generous assumption 43 per cent of its equity. But operational cash flow scarcely covered exploration and development spending in the six months to June and cannot hope to approach the costs of Wytch Farm et al in the next two years.

Shareholders will be diluted either way: whether through yet another rights issue or the direct sale of their oil and gas prospects.

JOBS COLUMN

The unspeakable elements in career success

BY MICHAEL DIXON

PLEASE have a go at the following career-strategy problem:

You have just been promoted to head an important department in the company. The previous head has been transferred to an equivalent position in a less important department.

Your understanding of the reason for the move is that the performance of what is now your department was mediocre. There were not any glaring deficiencies—just a perception of the department in general as so-so rather than good. Your brief is to shape up the department. Results are expected quickly.

You have been given much advice by colleagues on how to tackle the job. Rate the following pieces of advice by their importance to your prospects of success.

1—Always delegate to the most junior person who can be trusted with the work.

2—Make people feel completely responsible for their work.

3—Be intolerant of your own mistakes and of the mistakes of others.

4—Give your superiors frequent progress reports.

5—Be careful to avoid the company's "sacred cows."

6—Do not try to do too much too soon.

7—Promote open communication.

That problem is a shortened version of one used in a continuing programme of research led by Robert Sternberg, Professor of Psychology at Yale University. The problem and others on similar lines are intended to identify certain particular kinds of knowledge that contribute to success in careers of various types, as part of the researchers' overall aim of discovering how people use intelligeoce in real life. Anyooe wishing to learn about the overall project should read Professor Sternberg's book Beyond IQ (Cambridge University Press 1985). Here I have room to report only oo the initial findings of the research into career success.

The particular kind of knowledge being studied in that context is what Robert Sternberg calls "tacit." He typifies it as "knowledge that usually is not directly taught, spoken about or written about, in contrast to knowledge directly taught in classroom." In many instances such know-how might well prove impossible ever to formulate in words. Since people who possess it are unable to "say how" they exercise the skill concerned, their only way of passing it on to other people is to "show how."

While all jobs in modern societies require some knowledge of the sort that can be spelt out in words and taught from lecture platforms, of course, tacit knowledge is clearly of great importance. For example, say the professor and his colleague Richard Wagner:

"First, with surprising frequency individuals with histories of distinguished performance in formal schooling are only moderately successful in their occupations, and conversely individuals who are highly successful in their occupations have unremarkable academic records. Second, many professionals report that much, if not most, of the learning that matters to their careers took place after completion of their formal training."

In additioo, the supposedly more fundamental abstract abilities measured by tests of the Intelligence Quotient type are at best moderately linked with career success. Studies indicate that only about 4 per cent of the variances between people's career performances is explained by their scores on IQ tests.

Questions

Hence the researchers' efforts to get at and gauge people's tacit knowledge by facing them with questions like the one with which I started.

Each has a variety of predetermined answers to choose from. The questions were put to a variety of people with dif。fereot degrees of achievement in their working life as measured by salary and other criteria of success in their profession. The researchers then examined how the different answers chosen were linked with greater or lesser career progress.

The initial expectatioo was that, where working life is concerned, there would be three main ways in which people apply the kind of know-how that they do not formulate in words.

The first of the three applications is in *managing oneself* oo a daily basis so as to maximise one's own productivity. Examples of this type of use are knowing about the relative importance of the various things waiting to be done, knowing more and less efficient ways of approaching different tasks, and knowing how to motivate yourself to good effect.

Second comes *managing other people*. Here tacit knowledge is applied, for instance, in assigning and arranging tasks so as to make the best use of other folks' strengths and minimise their weaknesses, in motivatiog them individually and, indeed, in getting on well with the rest of humanity in general.

The third application is in what Professor Sternberg terms *managing one's career* so as to establish and enhance a favourable reputatioo and convince powerful people of one's merit. "Examples of tacit knowledge about managing career," he says, "include knowing to what extent one's priorities reflect what is valued by the organisatioo or field, how to gain the respect and confidence of those who judge your work and determioe promotions, and how to convince others that your work is as good as it really is (or even better!)."

In the course of the study so far, appropriately tailored versions of the problems have been put to two separale groups. One consisted of 54 people already in a business management career, 51 students intent on following suit after completing their preseot studies for a postgreduate degree in management, and 22 students on assorted undergraduate courses. Since the researchers are psychologists, the second group was made up of psychologists—54 established in academic careers, 104 postgraduate students, and 29 undergraduates.

The responses of both groups in geoeral confirm that the possession of tacit knowledge of the types studied is important to people's success in practical tasks requiring intelligence and so to their career progress. It is oot related to the ability to do well in a verbal reasoning test of the IQ variety. Another general finding is that effective tacit knowledge is not acquired automatically with length of time spent doing the work. "It is what we learn from experience, rather than experience per se, that seems to matter."

But before going on to be more specific about the relative importance to career success of the three different applications of non-verbal know-how, I'll remind readers of the problem this article began with. In which order did you rank the seveo pieces of advice on how to tackle the task?

Were the Jobs Column to take bets on which of you are most likely to wio your respective occupational rat races, it would pick those who headed their list with "Give your superiors frequent progress reports" and "Be careful to avoid the company's sacred cows."

For Professor Sternberg finds that, of the three applications of tacit knowledge, the one most decisive to success in working life is managing one's career. That is so whether you are an aspiring psychology don or a would-be top executive.

As a business manager, you would gain by having skill in both the other applications too, although to a lesser extent. But io academic psychology, managing other people evidently contributes little or nothing to career advance (and while the academics questioned were all in America, I suspect that much the same applies in other countries' universities). Moreover, the kinds of tacit knowledge found to be important to successful performance in practical management apparently had nothing to do with successful performance in the master's-degree management courses of business schools.

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PK CHRISTIANIA BANK (UK) LIMITED

The Bank is a major market leader in Eurobonds with particular emphasis on Scandinavian issues. We are currently looking for a top quality man or woman to strengthen our rapidly expanding Capital Market Division.

Institutional Equity Dealer Scandinavia

The person we are looking for will be aged 25-30 years with fluency in the Swedish language, both oral and written. Solid knowledge of the Swedish equity market together with analytical work experience is a necessity. Knowledge of the Norwegian equity market would be a distinct advantage. The applicant should also have a well established contact network among institutional investors in Scandinavia and dealers in the UK and Scandinavia as well as in the United States.

A comprehensive and highly favourable remuneration package will be offered to the successful candidate. Please reply in writing, enclosing a detailed CV to Mr Jan Lundqvist, Director/Hans-Rune Wahlstrom, Manager, PK Christiania Bank (UK) Limited, 9 King Street, London EC2V 8EA.

The PK Christiania Bank (UK) Limited is an international merchant bank, jointly owned by: PKbanken, Christiania Bank og Kreditkasse

PK

Significant Opportunities within FX Markets

Expanding operations - City

Merrill Lynch International Bank is expanding its Foreign Exchange Brokerage Unit in London. The Unit provides a much respected service to major institutions throughout Europe, including 24-hour trading in world markets, investment advice and long-term assessments.

As part of this expansion, there are now vacancies for creatively orientated professionals who see their future in a fast-moving, pro-active role backed by on-going research, market analysis and financial expertise. We are currently recruiting for

- Junior FX trader;
- Corporate FX trader.

Multi-lingual skills would be an advantage at all levels of appointment.

Highly competitive incentive orientated compensation is offered, reflecting performance in a highly successful operation.

Please write, enclosing career details to:– Keith Robinson, Recruitment Manager, Merrill Lynch Europe Ltd, 27 Finsbury Square, London EC2A 1AQ.

Merrill Lynch

EXPORT FINANCE SPECIALIST

c£25,000 + full banking benefits, dependent on experience.

As the Merchant Banking Subsidiary of a major US Bank our clients have a well deserved reputation for the construction of complex, innovative export finance packages. On their behalf, we seek applications from bankers, aged 27-35 years, whose knowledge of UK and/or Italian export credit programmes has been successfully employed in the provision of medium term finance for buyers credits, project finance and Confirming House transactions.

The successful candidate will have 2/3 years proven experience of negotiating export finance packages and constructing related financial documentation. Fluency in Italian or Spanish is highly desirable. In addition, a knowledge of French and/or German export credit programmes and relevant linguistic skills would be an advantage.

This position offers considerable responsibility, and genuine opportunities for career progression. The salary indicated is negotiable and will not be a limiting factor.

All applications will be treated in strict confidence.
Please contact:- Jill Backhouse or Joanna Davies

JONATHAN WREN & CO. LIMITED, 170, Bishopsgate, LONDON EC2M 4LX.
Tel: 01-623 1266

Jonathan Wren
RECRUITMENT CONSULTANTS

CORPORATE FINANCE

Sleipner U.K. Ltd., specialists in Scandinavian corporate finance, seek a highly motivated person to handle its Icelandic corporate activities. This dynamic individual has marketing skills and can deal effectively with clients at a senior level.

Suitable candidates will have an MBA or its equivalent and be aged 28-35. Work experience should include several years of employment at a major U.S. financial institution or the finance division of a Scandinavian corporation.

Knowledge of capital markets, legal documentation, leasing, asset-based finance and credit analysis is required. Specific knowledge relating to Icelandic and Norwegian companies is also necessary.

Candidates must be fluent in English and Icelandic and be proficient in Norwegian and French or German.

The compensation package includes a competitive salary and comprehensive benefits.

Send c.v. to:

SLEIPNER U.K. LTD.,
27 Hill Street, W1.

Accountancy Appointments

Chief Accountant

Finance House

North West **c £25,000 + benefits**

One of the largest, most successful and fastest growing finance houses, with a reputation for profitable innovation, requires a new Chief Accountant because of promotion.

The Chief Accountant will report to the Financial Director and will assume responsibility for all aspects of accounting throughout the Group, including the growing number of joint ventures and managed companies. The successful applicant will also contribute to the development of the Group's business strategy and will have a key role in the financial evaluation of new activities and products.

The need is for a chartered accountant with a number of years experience in a senior financial post with a major industrial or commercial organisation. Necessary attributes are professional excellence, commercial flair and good managerial skills.

The remuneration package will include an executive car, a subsidised mortgage, family BUPA cover, and, where appropriate, relocation assistance. Age: 35-40.

Please write in confidence to M D Beaumont (Ref: F391).

KMG Thomson McLintock

Management Consultants
Devonshire House 36 George Street Manchester M1 4HA.

Northern Foods Meat Group

Financial Controllers

Our client, Northern Foods Meat Group, is a highly profitable £300 million turnover division of Northern Foods plc. It comprises 16 fairly autonomous companies and employs in excess of 8,500 staff to manufacture and distribute a range of leading quality brand and own-label meat products.

Exceptional growth and continuing expansion has created the need to recruit two Financial Controllers for the group's two largest subsidiaries:

BOWYERS

TROWBRIDGE

Recently acquired by Northern Foods Meat Group, Bowyers operates from 5 manufacturing units, employs around 3,500 staff and has a current turnover of £115 million.

As Financial Controller, you will play a significant role in the company's operations in order to improve profitability and efficiency, in line with the group's financial requirements. Reporting to the Managing Director, you will develop your own finance and computing team and establish a close working relationship with management at all levels. Ref. B6188.

Pork Farms

NOTTINGHAM

Pork Farms employs 1,300 people and turns over £50 million through van sales and retail shops. The company is progressive, profitable and is renowned as a market leader in its field.

As part of the executive management team, and reporting to the Managing Director, this role will encompass responsibility for the overall financial control of the company, to include the maintenance of effective reporting procedures and cost controls. Ref. B6189.

Candidates, preferably graduates, aged early to mid 30's, must be qualified accountants who are both technically proficient and commercially strong. Acute business awareness and extensive "hands-on" operational experience, preferably gained in the food/consumer goods sectors at a senior level are pre-requisites.

The importance attached to these appointments is reflected in the above average salary packages which include an executive car, contributory pension scheme and other large company fringe benefits.

Interested applicants should write to Michael Jones, enclosing a comprehensive curriculum vitae, quoting the appropriate ref. number, at Michael Page Partnership, Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST.

MP

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

Rapidly expanding up-market retail concern seeks a.

FINANCE DIRECTOR

London W12

A commercially-minded financial executive with a proven success record is required to strengthen the Board of a £30 million turnover retail concern which is achieving continuing rapid growth and is actively contemplating a market flotation.

Reporting to the Managing Director, tha Finance Director will be expected to develop financial planning and controls, computerise accounting systems, play an active role in acquisitions/new developments and participate generally in the management of the business.

Applications are invited from qualified accountants, preferably in their mid-thirties to early forties, who combine a background in high-margin retailing with previous experience at director level, including dealing with City institutions and, ideally, involvement in acquisition and flotation exercises. Salary and benefits will be commensurate with ability and experience.

Please send a comprehensive career résumé, including salary history and day-time telephone number quoting ref: 2306 to G.J. Perkins, Executive Selection Division.

Touche Ross
The Business Partners
Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

Senior Audit Manager

Financial Services

For one of the UK's most successful and best known financial service companies which makes extensive use of large and sophisticated computer systems. As a result of internal promotion, the company wishes to appoint a senior manager to take charge of the computer audit and inspection department.

Reporting to the chief executive, the primary responsibility is to manage the team of specialist audit staff, ensuring that internal controls are adequate, efficient and effective. Working closely with senior management, the role will also entail evaluating the needs of the business and the quality of its operations as well as developing the audit strategy in the longer term.

Candidates should be qualified accountants, probably in their 30's, with the extensive auditing, technical and management skills to make a substantial contribution in this highly computerised service company.

Location: The South East.
Remuneration: up to £22,000 plus subsidised mortgage, profit related bonus, car and other substantial benefits.

Please write in confidence, enclosing career details and quoting reference 1759/L, to M. R. P. Blanckenhagen, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

Group Accounting

Central London

One of the UK's largest commercial groups, our client has substantial interests in the leisure/fmcg market sectors. Recent promotions have resulted in two vacancies for the following key appointments within the group finance function.

Corporate Accountant – Planning £19,000

The main responsibilities in this position will be:

- ★ The preparation and review of the group strategic financial plans.
- ★ The provision of an accounting service to the project teams relating to acquisitions and disposals.
- ★ Development of the computerised planning and budgeting models.

Financial Accountant £17,500

This role assumes responsibility for:

- ★ Assistance in the preparation and analysis of group management and statutory accounts.
- ★ Control of the mini/micro computing and word processing resources of the department including programming in APL.

Candidates for both positions must be qualified accountants with significant p.q.e. Personal qualities should include self-motivation, outstanding organisational ability and strong analytical skills together with a genuine commitment to the group's profitable expansion and continued success.

Prospects for promotion are excellent and interested applicants should write to Nigel Bates FCA, Executive Division; enclosing a comprehensive c.v., quoting ref. 273, at 31 Southampton Row, London WC1B 5HY.

MP

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

European Controller

Croydon **c£20,000 + car**

Our client is part of a major US corporation with branches and subsidiaries throughout the world. A recognised leader in the design of plant and equipment for the minerals processing industry, European turnover is currently $15 million.

A Controller is now required at the European headquarters, reporting to the Senior Vice President – Europe, with an initial brief to undertake a 6 month project assignment developing the financial function in Paris. On return to the UK, areas of responsibility will include project financing, cost control, systems development, treasury/tax management and group accounting.

Applicants, ideally graduates, must be qualified accountants, aged 30+, with practical small company experience including a period in a French speaking country. Fluency in French and familiarity with US reporting requirements and methods of operation are essential.

The attractive salary package will include relocation and other fringe benefits and prospects for promotion within the group are excellent.

Applicants should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive c.v. quoting ref. 272, at 31 Southampton Row, London WC1B 5HY.

MP

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

Financial Accountant

For worldwide market leader

London

A city based company, part of a growing international financial services group, is now seeking a Financial Accountant to strengthen their Finance Division.

Working closely with the Financial Controller, the successful candidate will have a broad base of involvement in all aspects of financial and management accounting in addition to specific project responsibilities.

Aged 25-30, the successful candidate will have qualified or be working with one of the leading accounting firms and have now gained at least two years post-qualification experience.

Together with excellent potential for career development, the salary and benefits are competitive and reflect the calibre of candidate sought.

Confidential Reply Service: Please write with full CV quoting reference 1973/RS on your envelope, listing separately any company to whom you do not wish your details to be sent. CV's will be forwarded directly to our client who will conduct the interviews. Charles Barker Recruitment Limited, 30 Farringdon Street, London EC4A 4EA.

CHARLES BARKER
ADVERTISING·SELECTION·SEARCH

FINANCE EXECUTIVE

Our client is a market leader operating in a high technology environment. Providing comprehensive financial support, this is an excellent opportunity to make a substantial contribution to company performance. Managing a large staff and responsible for the co-ordination of all financial planning, analysis, costing and management accounting functions, the Management Accounting Executive will play a vital role in advising operations management. Suitable candidates, aged 27-35, will be qualified accountants offering manufacturing experience, commercial awareness and demonstrable career success. Ref: JG.

ESSEX **c.£23,000 + Car**

HIGH PROFILE

Due to rapid expansion and diversification, one of the largest British companies in the vending industry seeks a commercially minded qualified accountant. Working closely with the Financial Controller the position carries responsibility for systems review, management information, and staff supervision. In addition there will be involvement in business planning and various commercial developments. Candidates, aged 27-35, should possess excellent communication skills and offer sharp-end experience within a fast moving environment. Ref: SW.

N.W. LONDON **c.£19,000 + Car**

ROMAN HOUSE, WOOD STREET, LONDON EC2Y 5BA. 01-638 5191

R·H

ROBERT HALF

LONDON BIRMINGHAM NEW YORK & 82 OTHER CITIES WORLDWIDE

MPL
Power Systems

FINANCIAL CONTROLLER

Hayes, Middlesex **c £16,000 + Car**

A subsidiary of the Atlantic Computer Group, MPL Power System Plc is an established company engaged in the design and manufacture of computer power supplies, mains stabilising and distribution equipment.

A qualified accountant is sought to assist the managing director in a reorganisation of the company's financial systems. The successful candidate, who will report directly to the managing director, will have complete responsibility for key areas of finance from cash and credit management through to the financial reporting and financial strategy of the company.

Candidates, aged 28-35, should have acquired good quality experience in industry or commerce and, although not essential, experience of standard costing techniques and the implementation of computer systems will be an advantage.

The successful candidate will possess the level of commitment and communication skills necessary to advance his career to a company board position.

Please write enclosing a curriculum vitae to
Barry Yard, Director, Moores & Rowland,
50 St. Andrew Street, Hertford, Herts. SG14 1JA

MOORES & ROWLAND
MOORES & ROWLAND MANAGEMENT ADVISORY SERVICES LIMITED

EDP Auditor

Berkshire **c£18,000**

THE COMPANY *An expanding profitable US multinational who are involved in aerospace, electronics, material handling, the automotive and industrial and recreational industries with sales currently at $2 billion.*

THE OPPORTUNITY *This is a new position offering an opportunity to make a major contribution to the company's internal audit and systems development in Europe.*

YOU *will be professionally qualified — preferably with a knowledge of German or French — willing to travel up to 60% of the year — with a sound technical knowledge and general experience in computer systems.*

ROLE *Reporting to the European Audit Manager responsibilities will be to plan and perform the detail of the EDP audit coverage in an IBM/Honeywell environment, including accounting production and information systems, overall computer operations, and use of data centres.*

PROSPECTS *Success in this position will create further opportunities within the group.*

Usual large company benefits apply including assistance with relocation.

Please contact Andrew Fowler, in the strictest confidence, quoting reference number 885624.

Management Personnel
Recruitment Selection & Search
2 Eton Court, Eton, Windsor, Berks. SL4 6BY
Telephone: (07535) 54256

Financial Executive

Central London **Age 30-35** **To £25,000 + car**

A small public company in the leisure/consumer sector seeks an outstanding Financial Executive to join a young management team. Substantial expansion is planned by organic growth and acquisitions.

Responsibility is for all financial matters of the business, with a positive and commercial approach. Previous experience as a Financial Controller or Director of a company is essential. Experience of the leisure industry, particularly merchandising operations, is desirable. The benefits include a share option scheme.

Please send a detailed c.v. to Barrie Pearson (Ref. FE).

LIVINGSTONE FISHER ASSOCIATES
MANAGEMENT CONSULTANTS
Acre House, 69/76 Long Acre, London WC2E 9JW
Telephone 01-379 3461 Telex 895 3749
An associate of H. W. Fisher & Co

Accountancy Appointments

Financial Controller
(F.D. Designate)

West Midlands — **to £18,000 + Car + Benefits**

Our client is a profitable subsidiary of a medium sized plc, operating in a highly competitive sector of the process industry.

An ambitious Financial Controller is currently sought to fulfil a vital role in the financial management of the company. Reporting to the Managing Director, the position carries responsibility for all financial and data-processing functions with particular emphasis on the strict control over cost of sales and the further development of M.I.S. The successful applicant will also be expected to contribute significantly to strategic planning and the overall commercial management of the business. A board-level appointment is envisaged within 12 months.

Candidates, aged 28-40, will be qualified accountants (ACA, ACMA, ACCA) with a broad-based technical background, together with genuine commercial flair and the ability to communicate at all levels. Previous experience within a multi-site processing environment would be a distinct advantage.

Interested applicants should write to Dean Gollings, quoting ref. B6187, at Michael Page Partnership, Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST.

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

European Audit Manager
West Germany/c£35,000 + benefits

A challenging new appointment, with international prospects, has arisen within a well-known North American multi-national manufacturing group with a turnover currently in excess of $5 billion.

Based in an attractive area near Frankfurt, the key task will be to develop and manage an audit activity engaged in financial and operational reviews of the Group's Continental European operations.

The position offers significant potential and calls for a qualified accountant, aged late 20's to mid 50's, with audit management experience in a manufacturing environment, either gained within industry or in a professional firm. Fluency in German and English is essential.

This is a key post and an attractive remuneration package will be offered to the right candidate including full relocation costs and a generous settling-in allowance. The Group places considerable importance on planned career development and, in view of its size, the prospects of taking up a Controllership or Senior Financial position elsewhere within their international operation are excellent.

To apply, please write with a full CV to Milton Ives, Executive Selection Division, Price Waterhouse, Southwark Towers, 32 London Bridge Street, London SE1 9SY. Please quote reference MCS/2015

Price Waterhouse
Business Needs Experts.

Financial Controller
Business Management Expertise

to £20,000 + car — **London W1**

A qualified and business minded accountant with strength of personality, broad commercial experience and sound managerial skills is sought by our client, to complement the existing management team.

As a long established and well respected private organisation, the company has built a reputation for providing a highly professional service to a wide, yet select range of clients; it is therefore essential that the appointee has the poise and confidence to be an ambassador for the company when required and to reflect their professionalism.

The overall brief will be to determine financial planning and strategy, and oversee the day to day accounting function. However, the need to assess the demands of the managers in relation to the management information they require, is an immediate task; particularly as the demands of the client companies are changing and the company itself is at varying levels of computerisation.

An ability to co-ordinate resources and communicate effectively at all levels are pre-requisites of the appointment, as is the ability to conceive new ideas and contribute to the development and profitability of the company. Based on the success with which the above is carried out and the commitment that is put in, the career and financial rewards are considerable.

Applicants, male or female, should apply in confidence to Mercuri Urval Ltd, 1 College Road, Harrow, Middlesex HA1 1YZ, or telephone 01-863 8466 quoting ref 586.

Mercuri Urval

WARNER COMMUNICATIONS INC.

International Review – D.P. Operations

Weekend Return Flights — **To £20,000 + Allowances**

With five OSCARS and six GRAMMY'S to their credit, Warner Brothers and WEA are having a record breaking year.

This is the first of 3 appointments to a worldwide D.P. resource operating from:
NEW YORK LOS ANGELES LONDON

It is a unique opportunity to take a lead in the global review of D.P. applications; especially distributed processing, personal computing and office automation.

Initially part of the London-based review team who act as management consultants, this specialist will travel almost continuously in Europe, Scandinavia, Australasia and the Far East. He or she will interchange with D.P. professionals in the USA where there are early promotion prospects.

If you have substantial computer audit or systems experience call Bill Curtels on 01-242 6321.

Personnel Resources
75 GRAYS INN ROAD, WC1X 8US 01-242 6321

Inspector-Computer Audit
London
minimum £23,500+car and bank benefits

As a result of internal promotion a position has arisen for an experienced Computer Auditor to join our client, a major UK Clearing Bank, in London.

The successful applicant will be an important and Key Member of the Computer Audit Section and as such will be required to carry out audits and inspections of Banking systems to ensure that computer based applications and installation have effective controls.

Candidates around their mid 30s must be experienced Computer audit professionals, with sound knowledge of up to date computer audit techniques. Experience of Computer programming, systems analysis and project management will also be sought. In addition a knowledge of Computerised Banking systems and the possession of an accountancy qualification would be a distinct asset.

The remuneration package includes a salary around the indicator shown, a quality car, 6 weeks holiday per year, BUPA membership, a profit sharing scheme, subsidised mortgage facilities and preferential loan schemes.

Candidates should apply in confidence, enclosing full CV, to Barrie A. Whitaker, Executive Selection Division, Price Waterhouse, 32 London Bridge Street, London SE1 9SY, and quoting reference MCS/5044.

Price Waterhouse
Business Needs Experts.

Financial Controller

Sleipner U.K. Ltd., specialists in Scandinavian corporate finance, seek a motivated financial controller who can also provide advisory services to Norwegian corporate clients at a senior level.

Suitable candidates will have an MBA or its equivalent and be aged 30-40. Work experience should include a minimum of five years' employment with a major U.S. or U.K. multinational corporation.

Knowledge of strategic market planning and financial control for service industries and the financial sector is required. Candidates should have international experience in these areas and be analytically orientated. Experience in using and managing a computerised MIS data base is necessary.

Candidates must be fluent in English, Norwegian and at least one other Scandinavian language and show proficiency in German or French. Specific knowledge and experience relating to Norwegian corporate activities and business conduct is required.

The compensation package includes a competitive salary and comprehensive benefits.

Send c.v. to:
SLEIPNER U.K. LTD.,
27 Hill Street, W1.

FINANCIAL DIRECTOR
to £20,000 + CAR + RELOCATION
LINCOLNSHIRE

For a recently acquired subsidiary of a major UK multi-national with a turnover io excess of £1 billion p.a. The company is the market leader in its area of specialised eogineering products and is growing rapidly. Current turnover of c £7 millioo p.a. is expected to double in the oext one or two years.

As a member of the board the job holder will control teo staff, be completely involved in the decisioo making process and expected to play a full part in the overall management of the company. In a high growth environment, special emphasis will be placed on corporate planning and systems implementation and developmeot.

Candidates should be qualified accountants, probably aged 32-45, with experience in a manufacturing company. Knowledge of standard costing, project accounting, systems development and accounting for growth would be useful but is not esseotial.

A full relocation package is available io appropriate cases.

Please send your career and current salary details to Barry C. Skates at the address below. Telephone 0628 75956

MKA
MKA SEARCH INTERNATIONAL LIMITED
Berkshire House
Queen Street
Maidenhead
Berks SL6 1NF

MANAGEMENT EDUCATION & TRAINING
SEPTEMBER 27

On Friday 27 September, the Financial Times is proposing to publish a survey on Management Education and Training. The editorial will cover such subjects as:

INTERNATIONAL COURSES
LEADERSHIP TRAINING
THE MBA
FUNCTIONAL COURSES
DISTANCE STUDIES
TAILOR-MADE PROGRAMMES
FUTURE CHANGES?

For a full editorial synopsis plus details of advertising rates contact:

Penny Scott, Advertising Department
Financial Times, Bracken House
10 Cannon Street, London EC4P 4BY
Telephone: 01-248 8000, extension 3740 or 01-248 2102

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Financial Planning Manager

London NW1 — **Up to £20,000 plus car**

Our client is a division of a major UK textiles group who are about to embark on a substantial retail development programme from their new London head office.

The Financial Planning Manager, reporting to the Finance Director, will become actively involved in all aspects of the business, particularly:–

★ Business planning, budgeting and forecasting
★ Analysis and review of trading performance
★ Review and development of management information
★ Capital expenditure and cash management.

The successful candidate will be a qualified accountant, age range 27-35, with a wide range of financial expertise and experience probably gained within textiles or the retail sector.

An attractive salary package, including a fully expensed car and contributory pension scheme will be available to candidates with drive and ambition.

Candidates should write to Andrew Sales FCCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting reference 271, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

Industrial Finance Director
Cardiff

Among the many responsibilities of the Welsh Office, stimulating industrial investment in the Principality is an important priority.

In this new post of Industrial Finance Director you will have management responsibility for the two main schemes of regional financial support administered by the Welsh Office (Regional Development Grants and Regional Selective Assistance). You will head teams whose main task is to consider grant applications in respect of projects being undertaken in the assisted areas of Wales and subsequently be responsible for monitoring payments currently running at around £100 million a year. You will appraise all applications to be considered by the Welsh Industrial Development Advisory Board and determine certain others and you will be expected personally to negotiate appropriate levels of selective assistance with the applicant companies in the major areas.

You must be a professionally qualified accountant with extensive business management and financial negotiating experience.

Salary: as Grade 4 £26,905.

For further details and an applicatioo form (to be returned by 12 September 1985) write to Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 468551 (answering service operates outside office hours). **Please quote ref: G/6631.**

The Civil Service is an equal opportunity employer

Welsh Office–Y Swyddfa Gymreig

SYNDICATE ACCOUNTANT
Circa £20,000 - Car

Lloyds underwriting agency managing marine, non-marine and aviation syndicates with £100m capacity seeks experienced accountant, qualified or unqualified.

Will initially understudy present incumbent and take over when he retires.

Location EC3. Moving to new Lloyds building. Age unimportant. Experience essential.

G. Hamill, F.C.A., A.C.M.A., M.B.A. (Harvard)

Financial Control Personnel
Saint Giles Lodge, Amersham Road, Chalfont St. Giles, Bucks. HP8 4RZ. Tel: (02407) 4291.

Truman Miles
Management Recruitment Consultants

ACA's for Merchant Bank

A respected City House, in the forefront of today's financial service markets, offers an accounting introduction to graduates aged 25-27. Application is not restricted to just the large London Offices, or to Bank Audit experience.

A mortgage subsidy and relocation assistance is provided amongst traditional benefits, together with a good initial salary for these appointments as Chief Accountant of a specialist subsidiary or to the Audit and Investigations team.

The Bank has an excellent reputation for providing career advancement opportunity and will give early recognition to ability and ambition.

Call or write, in confidence, to Bob Miles 01-248 2002/3 and 01-568 0065 (Home) 10/11 Bishops Court, Old Bailey, London EC4M 7EL.

ACCOUNTANCY APPOINTMENTS
appears every THURSDAY
Rate £37.00 per single column centimetre
(Min. 3 cms) +VAT

International Appointments

Accountancy Appointments

Company Notices

SECTION II – COMPANIES AND MARKETS

FINANCIAL TIMES

Thursday August 15 1985

Philips suffers sharp profits setback and downgrades forecast

BY OUR FINANCIAL STAFF

PHILIPS, the Dutch electronics and consumer products group, reports a steep decliner in profits for the second quarter of 1985. As a result, net earnings for the half-year are 20 per cent lower at Fl 436m ($139.7m), and the company has been forced to downgrade its profits projections for 1985 as a whole.

Philips has been hit by poor results in North America, especially at Signetics, the big producer of integrated circuits in which it has a major shareholding.

North America traditionally accounts for around 30 per cent of Philips' total sales. For the second quarter, the big slide in dollar earnings has left net profits trailing by a third at Fl 176m.

Philips warned recently its second-quarter results would be appreciably lower. It now says if there is no recovery in U.S. markets, the long-standing forecast of a gradual profits improvement for 1985 is unlikely to be met.

Sales for the second quarter moved up from Fl 12.1bn to Fl 13.68bn, lifting half-year turnover to Fl 27.4bn, against Fl 24.2bn. Actual sales volume for the half-year rose 6 per cent, and Philips still expects full-year sales volume to rise by 7 per cent.

Good turnover in most group companies compensated for the disappointing U.S. sales, Philips says. The strongest sales growth came from products and systems for professional application. Despite a weak market for colour television sets, the home electronics division saw above-average growth due to strong sales of compact disc players and video and radio recorders.

The sales-volume rise in lighting and domestic and personal care products, as well as in industrial supplies, was below the average level, mainly as a result of sluggish market growth.

Income from operations fell in the U.S. and Canada but moved ahead in Europe and in Latin America.

Operating income in the second quarter slipped from Fl 813m to Fl 703m with trading margins narrowing to 5.1 per cent from the 6.7 per cent of the second quarter of 1984. Half-year operating profits were Fl 1.6bn, against Fl 1.64bn.

Signetics does not prodice quarterly profits, but North American Philips does. Its second-quarter earnings fell to $13.7m from $33.3m, depressing this subsidiary's half-year out-turn by more than a quarter to $41.4m.

Manulife bid backed by Canada Trustco directors

By Bernard Simon in Toronto

THE DIRECTORS of Canada Trustco, the country's largest trust company, have advised shareholders to accept a C$410m (U.S.$303.7m) takeover offer by Toronto-based insurer Manufacturers Life rather than an earlier bid by Genstar, the Vancouver-based financial services, industrial and property conglomerate.

Manulife, which already owns 27.6 per cent of Canada Trustco's 23.1m shares, earlier this week offered C$50 a share for another 8.2m shares, equal to 35.4 per cent of the total. Genstar offered C$44 a share and has not yet indicated whether it plans to continue the battle for Canada Trustco, the only major trust company not already controlled by one of the country's rapidly emerging financial conglomerates.

Manulife is scheduled to open its bid on the Toronto and Montreal Stock Exchange on August 27. However, last night Genstar received a temporary injunction from the Ontario Supreme Court restraining Manulife from raising its stake in Canada Trustco beyond 30 per cent.

The Manulife bid has raised a number of sensitive issues about the control of Canadian financial institutions. Under Canadian law, mutual life insurance companies such as Manulife are barred from acquiring an interest of more than 30 per cent in a trust company.

In an effort to overcome this restriction, Manulife has channelled part of its offer through two subsidiaries, another insurance group and a real-estate company. It has also pointed to a recent precedent in Quebec where a mutual insurer acquired control of a trust company.

Manulife's status as a Canadian-controlled company has in the past been a bone of contention because of the large number of its policyholders in other countries.

Canada Trustco's directors have now decided, however, to abolish a clause in the company's bylaws limiting the voting rights of a single shareholder to 10 per cent of the shares held.

U.S. farm loan system on shaky ground

BY WILLIAM HALL IN NEW YORK

EVER SINCE the U.S. Federal Farm Credit System announced last month that it was mounting a rescue of the Federal Intermediate Credit Bank of Omaha – the second biggest bank in the system – the financial markets have been taking an unusually close interest in the affairs of the oldest and most complex of the federally sponsored agencies.

The U.S. Federal Farm Credit System is the umbrella organisation for a network of financial co-operatives which account for around a third of all lending to U.S. agriculture and are owned by the borrowers. If there was any doubt about the system's severe financial strains, yesterday's second-quarter results underlined the scale of the problems facing an agency which has until lately been regarded, by farmers and Wall Street investors alike, as a solid institution.

The system, which earned $126m in the second quarter of 1984, did little more than break even in the latest quarter. For the first half of 1985 net income fell by 62 per cent to $96.2m. First-half loan-loss provisions rose fivefold to $207m, and loan charge-offs jumped from $34m to $159m.

PROFILE OF U.S. FARM CREDIT BANKS

	Financial performance ($m) Net income	Loan loss prov.	Money raised (Gross) $bn Bonds	Notes
1980	739.5	80.7	51.2	42.7
1981	867.5	104.5	55.0	40.3
1982	993.9	74.7	47.4	26.8
1983	542.8	38.8	37.6	52.7
1984	441.6	121.0	37.4	60.7
1985 (first half)	96.2	207.0	14.9	26.6

Source: Annual report of Farm Credit Banks and Federal Farm Credit Banks Funding Corporation

The U.S. Farm Credit System is one of five government-sponsored agencies set up to channel funds to sectors of the economy deemed worthy of special support.

Although they have the word federal in front of their name and enjoy unusual ties to the U.S. Government – such as board members appointed by the President and borrowing privileges at the U.S. Treasury – they are wholly owned by the private sector, and stockholders and borrowers stand to benefit or lose from their activities. This is what is beginning to worry some investors.

Aside from making more than $60bn e year of new loans to America's 2.4m farmers, the farm credit system is a big borrower in the U.S. money markets. It borrows around $100bn a year.

Until recently the farm credit banks, which issue their paper through the New York-based federal farm credit banks' funding corporation, have been able to raise money at fine terms – typically, 10 to 15 basis points above comparable U.S. Treasury issues.

However, during the past month the spreads between farm credit system issues and comparable Treasury issues have widened to around 45 basis points. These spreads, while wider than normal, are far less than 150 basis-point spreads which the Federal National Mortgage Association (Fannie Mae) was forced to concede three years ago.

Even after the latest earnings setback the farm credit banks are well capitalised. At the end of the first quarter they had capital of $9.3bn to back loans of $75.6bn, which is conservative by comparison with major U.S. banks. Non-performing loans of $2bn, while four times higher than they were in 1981, were still equivalent to only 2.6 per cent of the loan portfolio, or around a fifth of the group's capital.

The farm credit system is an unussally complex federal agency to analyse. It is divided into 12 geographical districts. Each district has a federal land bank, which makes long-term loans to buy farms, a federal intermediate credit bank, which make short-term seasonal loans, and a bank for co-operatives, which lend money to farm co-operatives. There is also a central bank for co-operetives.

The federal land banks, which account for two thirds of the system's $82.7bn in assets, and the co-operative banks, which account for another 12 per cent, have not suffered the same financial stress as other parts of the system. In particular, there are 435 land bank associations (FLBAs), which borrow from federal land banks, and 370 production credit associations (PCAs), which borrow from federal intermediate credit banks (FICB).

The PCAs and the FLBAs are separate and legal entities within the system and their profits are not included within the farm credit system results. The PCA's, for example, which are owned by farmers and maka loans of normally less than a year, lost $116.1m ia 1984 if the distribution of FICB earnings is excluded.

These small units are proving to be the main problem for the system. Already rescues have had to be mounted for two main lenders to the PCAs the FICBs of Omaha and Spokane – and there is talk of two more FICBs which may need to be rescued

Against this background there are growing signs thet Washington is preparing to step in and mount some form of rescue for the beleaguered farm credit system. Mr John Block, the U.S. Agriculture Secretary said earlier this month that be "seriously" doubted the system could remedy its woes without federal help.

Ministry approves of Indesit receivership

BY ALAN FRIEDMAN IN MILAN

THE REQUEST last week by Indesit, Italy's second largest home-appliance group, that it be placed in court-appointed state receivership is "the only solution," according to a top official of the Italian Industry Ministry – which will have the final say on the request.

Sig Sisinio Zito, the ministry undersecretary responsible for monitoring events at loss-making and debt-burdened Indesit, said yesterday receivership under Italy's "Prodi law" would be the only way to guarantee the continued running of the company.

Turin-based Indesit, which last Saturday decided to seek state receivership, lost L106bn (U.S.$56.8m) ia 1984 and is believed to have made additiooal losses of L50ba to L60bn in the first half of this year.

The company is burdened by L200ba of debt (of which L60bn is owed to suppliers and the rest to banks), which is 15 times the size of its L13.4bn share capital. The company halted production in June and expects to resume on a limited basis in October, according to Sig Franco Passi, Indesit's chairman.

Sig Passi said yesterday between 600 and 700 workers would be re-employed in October, assuming the company's request for state-administered receivership was approved by the end of September. This compares with 7,500 employees, of whom only 2,200 were actnally working whiten manufactnring halted two months ago.

"Everyone else is on state-subsidised lay-off schemes," the Indesit chairman said. He added he hoped it might be possible to employ 1,400 workers by year end.

Sig Passi stressed yesterday that despite receivership the company would continue manufacturing, and spare parts would be available in the UK and other markets. About 70 per cent of Indesit's turnover (L310bn last year) comes from outside Italy. Production this year is likely to be around 900,000 units, which is less than one-third capacity.

The Indesit chairman said state receivership could continue for up to two years and could then be renewed, if necessary, for another three years. He said unemployed workers would be guaranteed state-subsidised assistance for up to five years. Receivership under the Prodi law enables the Industry Ministry to guarantee a company's debt, to freeze debt repayments and to install government commissioners.

Sig Zito said yesterday contacts with potential foreign rescuers could not have prevented receivership at Indesit.

Euromarket shows sign of life

By Maggie Urry in London

THE Eurodollar bond market was showing some signs of rallying yesterday although business is still thin. Prices gained ⅛ point or so. Dealers pointed to the increasing amount of bond borrowing through Euro-clear, the international clearing system, as evidence of shortages in the market.

There certainly seems to have been some short positions, as well as some big buying, for the Campbell Soup issue, launched on Monday. This jumped by around ¾ point in grey-market trading to a level just above par. But dealers say this does not mean that other borrowers could be equally successful with an issue.

Nomura International launched a $100m fixed-rate issue for Chubu Electric Power, which has a 10-year life and pays a 10⅛ per cent coupon. Issue price is par. This bond can be sold to Japanese investors without adding to their foreign bond holdings. But terms are slightly more generous than are usually seen on such issues. The terms are the same as Campbell's issue, though, and some syndicate managers felt that little paper would be sold to non-Japanese investors.

A touch of floater starvation in the Eurodollar market helped a $150m 15-year issue from the Bank of Boston, led by Credit Suisse First Boston. This pays interest at ⅛ per cent above six-month London interbank offered rate (Libor), refixed every month but payable six-monthly. If the one-month Libor rate is above six-month Libor at a fixing date, the Libor rate for the remaining period for the remaining period will be used. That gives investors some protection against a downward sloping yield curve.

The issue pays fees of 75 basis points, but the bonds were trading well inside that discount at 99.70 bid.

Two issues, both for West German banks, were launched in the Euro-Australian dollar bond market. DG Bank is raising A$60m with a five-year deal paying a 12⅞ per cent coupon and priced at 100⅞. Orion Royal Bank is lead manager.

Banque Paribas lead the other deal, a A$45m five-year issue for BFG. This pays a 13 per cent coupon and is priced at 100⅞. Both issues are thought to be swaps into floating-rate U.S. dollars.

International bond service, Page 12

Massey to close French plant

BY DAVID MARSH IN PARIS

MASSEY-FERGUSON, the Canadian farm-machinery manufacturer, has finally decided to close its European combine-harvester plant at Marquette near Lille in northern France, making more than 1,150 workers redundant.

The decision, announced at a central works committee meeting, brings to an end a year-long state of limbo at the plant. The factory has been inoperative since June last year with workers laid off on temporary unemployment pay without having ever been formally made redundant.

Massey-Ferguson has been trying to find buyers for the plant for some months, but it tacitly admitted the factory had only a slim chance of being passed on to a new owner.

The plant, which employed more than 2,000 workers until about two years ago, has been at the centre of strong union protests over redundancies, but the final decisioa to close it down altogether seems to have been accepted with a certain resignation.

Massey-Ferguson, which has a turnover of about FFr 2.3bn (U.S.$270.5m) in its French activities, made a profit of FFr 8m on its French operations in the year ended January.

News of the Massey-Ferguson closure comes about a month after the other big North American group hit by the agricultural machinery downturn – International Harvester – announced the closure of its combine-harvester plant in Angers on the Loire, involving the loss of 700 jobs.

Woolworth up 42% in second quarter

By Our Financial Staff

F. W. WOOLWORTH, the U.S.-based stores group, lifted oet income 42 per cent in the second quarter – the 11th consecutive year-on-year quarterly advance.

Improved gross margins, only partly offset by slightly higher expenses, coatributed to a 17 per cent increase at the operating level to $74m, from $63m.

A $4m decline in interest costs, aided growth in net earnings to $27m, or 84 cents a share, from $19m, or 62 cents, a year ago. This took the six-month net profit to $33m, or $1.01, compared with $23m, or 72 cents, last time.

Half-year sales edged ahead 2.4 per cent to $2.64bn, from $2.57bn, with a similar percentage rise in the quarter to $1.4bn, from $1.36bn. In the latest three moaths domestic turnover expanded 6 per cent, but this was offset by a 2.4 per cent fall overseas.

Domestic operating income climbed 39 per cent to $43m in the quarter, including very strong growth in Kinney's U.S. operations. Income overseas was little changed.

Dean Witter in shift to London

BY ALEXANDER NICOLL IN LONDON

DEAN Witter Reynolds, a financial services arm of the U.S. retailing group Sears Roebuck, is shifting responsibility for all its international business from New York to a London-based group of executives.

The move reflects the expansion of the Londoo group's activities in the equity, futures and debt markets, aiming its services primarily at institutional clients by contrast with the more retail-oriented approach of the parent group.

Mr Michael Lee, who is based in London, will become president and chief executive officer of Dean Witter Reynolds International, under the chairmanship of Mr Samuel Wolcott, executive vice-president of Dean Witter itself. Mr Lee is also to be chairman of Dean Witter Capital Markets – International.

The shake-up illustrates the growing importance of the international equity market. The London group will assume responsibility for international equity brokerage, under the supervision of Mr James Furlong. He and Mr Richard Furber will supervise all the group's 11 offices outside North America.

Rapid changes in international financial markets, especially London, have helped provoke the change, which contrasts with recent decisions at firms such as Manufacturers Hanover, which has transferred control of its investment banking activities back to New York.

Indosuez buys control of Australian unit

By Our Paris Staff

BANQUE INDOSUEZ, the international French state bank, has taken full control of its Australian merchant banking company in which it previously owned 50 per cent.

The decision to gain total ownership of Indosuez Australia comes in response to recent Australian financial deregulation measures allowing foreign banks to take total control of merchant banking subsidiaries.

Indosuez bought the remaining 50 per cent stake from the Howard Smith industrial group with which it set up the bank in December 1982. The merchant bank has a capital of A$14m (U.S.$10m) with offices in Sydney and Melbourne.

The move should help strengthen Indosuez's Australian links.

UBS may buy stake in Lampe

By Jonathan Carr in Frankfurt

UNION BANK of Switzerland (UBS), the biggest Swiss bank, is discussing taking a stake in Bankhaus Hermann Lampe, a West German bank based in Bielefeld on the fringe of the Ruhr industrial area.

A spokesman for the Oetker group, the diversified concern which has a 70 per cent stake in Bankhaus Lampe, confirmed that talks were underway with UBS but gave no details.

DnC plans to complete U.S. bank unit buyout

BY FAY GJESTER IN OSLO

DEN NORSKE Creditbank (DnC), Norway's largest commercial bank, yesterday announced a deal that will make it the only Norwegian bank with a wholly-owned subsidiary bank in the U.S.

It has agreed to buy Svenska Handelsbanken's 25 per cent stake in Nordic American Banking Corporation (NABC) in New York. DnC was already in the process of acquiring a 75 per cent stake in NABC through purchases, agreed earlier this year, from Copenhagen Handelsbank and Finland's Kansallis-Osake-Pankki. The price of the deal was not revealed. At end July 1985 NABC had total assets of $634m.

The acquisition will depend on the approval of the authorities in Norway and the U.S.

As well as lending, NABC provides advisory services and help to Scandinavian companies in connection with mergers and acquisitions in North America.

● As a result of the deal Svenska Handelsbanken will establish its own operation in the U.S., writes Kevin Done in Stockholm.

Its London-based subsidiary, Svenska International, will open a branch in New York. The Swedish authorities have given approval for the move, but it is still awaiting the go-ahead from the U.S. regulatory authorities.

As a first step Svenska International will open an office in New York from September 3.

Last month Kansallis-Osake-Pankki opened its own branch in New York, making it the first Finnish bank to establish a full branch operation in the U.S.

Minorco moves part of Bermuda activities

BY ROGER SCOTTON IN BERMUDA

MINORCO, the Bermuda-based international investment group controlled by South Africa's Anglo American Corporation and De Beers Consolidated Mines, is to transfer some of the work presently carried out in Bermuda to other offices and "significantly reduce" its activities on the island.

Mr David Fisher, treasurer, would not reveal what investment functions will be moved or where they are going. He described the changes as the result of a major reorieatatioa of Minorco's business policy following its receat disposal of 10m shares in Phibro-Salomon, the U.S. commodities and investment banking group.

Mr Fisher said the sale of shares in Phibro-Salomon, which still ranks as Minorco's biggest single investment, had generated about $400m in cash.

He insisted the reduction in activities in Bermuda had nothing to do with growing anti-apartheid sentiment there and said Minorco aimed to maintain its 15-year-old headquarters in the British colony.

At the time of the Phibro-Salomon disposal in May Minorco said it planned to redeploy its enhanced liquidity

Docutel trims losses despite fall in revenue

BY ALAN FRIEDMAN IN MILAN

LOSSES are continuing at Docutel, the U.S. distributor 46 per cent-owned by Olivetti, Italy's leading office-automation group.

Texas-based Docutel lost U.S. $8.9m in the three months which ended on June 30 this year.

This compares with first-quarter 1985 losses of just under $10m. The second-quarter Docutel loss was recorded on revenues of $28.5m. Docutel said yesterday the second-quarter loss was attributable to low revenues

Olivetti hopes to take over 100 per cent of Docutel in a deal which would cost $20.2m. The matter will be decided at a Docutel shareholders' meeting to be held next Tuesday.

This is part of Olivetti's overall strategy of paying closer attention to its U.S. business, which was in poor shape until its 1983 deal with AT&T which gave AT&T 25 per cent of Olivetti and established the U.S. telecommunications giant as the principal distributor of Olivetti personal computers in the U.S. market.

Docutel in 1984 lost $41.9m on total sales of $163.9m. Total losses for the first half of 1985 amount to $18.9m on revenues of $53.4m.

INTL. COMPANIES & FINANCE

Zapata reduces dividend by 86%

By Our New York Staff

ZAPATA Corporation, a leading offshore drilling company founded by Mr George Bush, the U.S. Vice-President, has slashed its dividend by 86 per cent as evidence mounts that the slump in the offshore industry is proving deeper and more prolonged than many industry experts predicted.

Houston-based Zapata announced it was cutting its quarterly dividend from 21 cents a share to 3 cents a share. It also announced plans to pay off $150m of its debts and reduce its gearing by selling assets and slimming the company down through a "significant reduction in capital and overhead expenses."

Zapata is the latest in a string of U.S. companies operating in the oil-service industry to announce major retrenchments. McDermott International, the world's largest builder of offshore drilling platforms, reported a first-quarter net loss of $1.1m compared with a profit of $22.9m a year ago.

McDermott said: "Contrary to earlier expectations, our marine construction markets in the Gulf of Mexico continue to soften. This, coupled with further erosion of our fossil-power business and only modest improvement in our tubular products activities, resulted in the loss."

Mr J. E. Cunningham, McDermott's chief executive, added: "During the past 90 days, our major markets have deteriorated, and it appears the recovery of these businesses will not occur as soon as we had anticipated. Accordingly, it is imperative we accelerate our cost-reduction efforts to bring our operations into line with the reduced demand for our products and services."

GTE unit to cut workforce by 600

By Terry Dodsworth in New York

THE FIERCE pricing war in the U.S. long-distance telephone business claimed a casualty on Tuesday when GTE Sprint, one of the new competitors in this sector, announced it was cutting its workforce by about 600 during the next month.

GTE Sprint, run by the GTE Telecommunications group, employs about 7,000 people and has suffered a serious earnings crunch this year. In the second quarter the group reported virtually flat net income of $285m. It blamed the stagnation on operating losses of $68m in the communications services division which contains GTE Sprint. Last year, the same division generated operating profits of $30m.

Mr Don Prigmore, president of GTE Sprint, said that the redundancies partly reflected the end of additions to network capacity, with a consequent shift towards sales and marketing.

He also alluded, however, to the tough competitive climate which has followed the dismemberment of the AT&T telecommunications group, saying the company needed to be "cost-effective, especially given the current inequitable regulatory environment."

GTE Sprint has been particularly hard-squeezed in the aftermath of the AT&T break-up marketing battle and has taken the lead in the lobbying effort among long-distance carriers for changes in the break-up agreement. The company's activities have been hit by the higher charges it now has to pay to connect its customers to local telephone networks.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for August 14.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amax Credit 10⅞ 90	100	101	101½	0	+0⅜	10.50
Amex Credit 12⅛ 89	150	105⅝	106⅛	+0½	+0⅛	10.32
Atlant Richfld 10¼ 90	250	93¾	94¼	+0⅞	+1⅜	11.66
BP Capital 11⅛ 92	150	101⅜	101⅞	0	+0⅝	10.73
Canada 11½ 90	500	104⅜	104⅞	+0⅛	+0⅜	10.16
Canadian Pac 10¾ 93	100	99⅞	100⅜	0	+0⅜	10.71
Canadian Pac 12½ 90	75	106⅜	106⅞	0	+0¼	11.52
CBS Inc 11⅜ 92	100	102½	103	+0⅛	+1½	10.78
Chevron U.S.A. 12¼ 89	600	104⅜	104⅞	0	+0⅝	10.78
Citicorp 11½ 95	150	101½	102	+0⅝	+1⅛	11.18
Coca Cola 11¾ 91	100	106⅞	107⅜	−0⅛	+0⅝	10.12
Denmark Kingdom 11¼ 89	100	101¾	102¼	−0⅜	+0⅛	10.59
Denmark Kingdom 11½ 90	100	102¾	103¼	+0¼	+0½	10.63
Denmark Kingdom 11½ 92	100	102⅝	103⅛	+0⅜	+1½	10.94
Denmark Kingdom 13¾ 91	100	110	110½	+0¼	+1⅜	10.85
E.D.F. 10 95	225	94½	95	+0⅛	+0⅞	10.86
E.E.C. 11⅛ 90	100	102¼	102¾	+0⅛	+0½	10.36
E.I.B. 12 98	200	105¾	106¼	+0¼	+1⅛	10.94
E.I.B. 13 96	200	109⅞	110⅜	+0⅛	+0⅜	11.24
Export Dev Corp 10 90	100	99	99½	−0⅛	+0⅞	10.10
Export Dev Corp 12 85	100	105⅛	105⅝	−0⅛	+0⅜	10.38
Fed Dep Stores 10⅛ 95	100	95⅜	95⅞	+0⅛	+1¼	10.85
Ford Motor Cred 11⅜ 90	100	101⅞	102⅜	0	+0¾	10.71
Ford Motor Cred 11⅛ 95	100	101	101½	0	+0⅞	11.36
Ford Motor Cred 11¼ 92	100	102	102½	+0⅛	+0⅞	11.23
Ford Motor Cred 12 85	100	103½	104	+0⅛	+1	11.21
Gen Elec Credit 10¼ 90	200	100	100½	0	+0¼	10.29
GMAC 10¼ 89	200	100⅛	100⅝	+0⅛	+0½	10.10
IBM Credit 10⅜ 2000	300	101¼	101¾	+0⅛	0	10.16
Japan Air Lines 13⅜ 94	100	116⅞	116⅝	−0¼	+0⅜	10.47
Kellogg Company 10⅞ 95	100	101⅝	102⅛	+0⅛	+0⅞	10.29
Kellogg Company 11¼ 92	100	102¾	103¼	0	+1⅜	10.55
L.T.C.B. 12⅞ 91	100	108⅝	109⅛	+0¼	+0⅞	10.81
Macy Cred Corp 11¾ 95	100	103⅛	103⅝	0	+0⅞	11.13
Mellon Bank 13 97	100	105⅜	105⅞	0	+0⅜	9.82
Merrill Lynch 12¾ 89	100	105¼	105¾	0	+0⅞	11.00
Minnesota 11½ 97	100	103	103½	−0⅛	+0¼	9.73
Mitsui Trust 11⅝ 90	100	102¼	102¾	+0¼	+1⅛	10.92
Morgan Guaranty 12⅛ 89	150	105⅝	106⅛	+0⅛	+0⅝	10.53
Penney J.C. 12¾ 91	100	107½	108	+1⅛	+1⅝	10.86
Pru Realty secs 12⅛ 98	546	105	105½	0	+0⅞	11.37
Qantas Airways 10¾ 95	140	97⅜	97⅞	+0⅛	+1	10.75
Quebec Hydro 11½ 92	100	102¾	103¼	0	+0¼	10.86
Queensland Govt 10¾ 95	100	99⅛	99⅝	+0⅛	+0⅞	10.86
Ralston Purina 11¾ 98	150	103⅛	103⅝	−0⅛	+1⅛	11.14
Ralston Purina 12¼ 89	100	106⅞	107⅜	+0¼	+1	10.02
Saskatchewan 10¾ 92	100	100⅛	100⅝	0	+0¾	10.64
Saskatchewan 11⅞ 89	100	104⅝	105⅛	+0⅛	+0⅝	10.37
S Wales Tray 11¾ 90	150	104⅜	104⅞	+0⅛	+0⅝	10.45
Swed Exp Cred 10 92	100	96¾	97¼	0	+0⅛	10.62
Swed Exp Cred 12¼ 89XW	100	105½	106	−0⅛	+0⅜	10.61
Sweden Kingdom 10⅞ 90	200	101⅛	101⅝	0	+0¾	10.47
Sweden Kingdom 11½ 89	200	103⅝	104⅛	+0⅛	+0¾	10.31
Sweden Kingdom 11¾ 94	100	104	104½	+0⅛	+1	10.98
Texaco Corp 10¾ 98	150	99⅜	99⅞	+0⅛	+1	10.80
Texaco Capital 11⅛ 95	250	100⅛	100⅝	+0¼	+1	11.04
Texaco Capital 12⅞ 87	300	105⅛	105⅝	−0⅛	+0⅜	9.83
Tokai Asia 11½ 95	100	101½	102	+0⅛	+0⅜	11.15
Victorian Rep 11⅝ 92	150	103⅛	103⅝	+0¼	+1	10.79
World Bank 12¼ 94	100	107⅛	107⅝	+0⅜	+1	10.92
World Bank 12⅞ 94	200	110⅝	111⅛	+0⅛	+1	10.92

Average price change On day +0⅛ on week +0¾

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bank 8 94	200	106⅛	106⅞	+0⅛	+0½	7.01
Austria,Republic 7⅜ 94	200	104½	105¼	−0⅛	−0⅛	6.65
Baxter Travenol 7¼ 94	200	102⅝	103⅜	0	0	6.77
Copenhagen 7½ 95	150	101¼	102	−0⅛	+0⅛	7.12
Credit National 8⅛ 94	200	106⅝	107⅜	+0⅛	+0¾	6.88
E.I.B. 7¼ 94	300	102	102¾	+0¼	+0¼	6.89
Escom 8 92	150	99⅜	99⅞	+0¼	+0⅞	8.08
Ex-Im Bk Korea 7⅝ 90	100	99⅜	99⅞	+0¼	+0⅛	7.34
Ferrovie Dello Stato 8 91	100	104⅝	105⅜	0	0	6.89
Finland Republic 7 92	200	101	101¾	−0⅛	+0⅛	6.72
Gould Int Fin 7⅜ 91	100	104⅝	105⅜	−0¼	+0½	6.54
Ireland 8⅛ 92	150	105⅛	105⅞	0	0	7.06
Japan Fin Corp 7⅝ 91	100	103⅛	103⅞	+0⅛	−0⅛	6.80
Mitsubishi Hvy 3½ 89WW	300	130½	131¼	−0⅛	+1⅛	−4.19
Mitsubishi Hvy 3½ 89XW	300	92¼	93	0	+0⅜	5.80
Mitsubishi Met 3⅛ 89WW	100	104½	105¼	−0½	0	1.94
Mitsubishi Met 3⅛ 89XW	100	89⅝	90⅜	+0¼	+1⅛	6.70
Quebec Hydro 7⅛ 95	200	102	102¾	+0¼	+0½	6.76
Renfe 7¾ 95	100	103⅝	104⅜	−0¼	+0¼	7.15
Renown 3⅛ 90	85	105	105¾	+0¼	+0½	1.75
Soc Cent Nuclear 7¾ 95	150	100⅝	101⅜	+0⅜	+0½	7.16
Societe Cent Nuclear 8 91	100	107⅝	108⅜	+0¼	+0¾	6.32
Sth African Tran 7⅜ 92	100	94⅛	95	0	+0⅜	8.64
World Bank 7¼ 89	100	103½	103⅞	−0⅛	+0⅛	6.58
World Bank 8 94	200	106⅝	107⅜	+0⅛	+0⅜	6.87

Average price change On day +0⅛ on week +0⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev Bk 6⅛ 94	100	†101	101½	−0⅛	−0⅜	5.95
Avon Cap Corp 5⅝ 94	130	†99	99¼	−0¼	−0¼	5.49
Brit land Comp 6½ 99	75	†100¼	101½	0	+0¾	6.13
Council of Europe 6 92	120	†102¾	103	+0¼	+1	5.59
Creditanstalt 5½ 94	100	†98½	98¾	0	0	5.99
Deutsche Bk Fin 5⅛ 95	100	†100¾	101	0	−0½	5.25
E.I.B. 5¾ 94	120	†102	102¼	+0¼	+1½	5.07
Export Dev Corp 5⅝ 92	125	†101½	101¾	+0¼	0	5.08
Gen Occidentale 4½ 94	80	†100¼	100½	0	+0¾	4.06
I C Industries 5⅛ 94	125	†100	100¼	0	0	5.60
Ind Fund Fin 5¾ 94	40	†100½	100¾	0	+0½	5.66
Int-Am Dev Bk 6⅛ 94	120	†102⅛	102¾	0	0	5.75
N.Zealand steel 5¾ 95	70	†99	99¼	0	+0½	5.85
Oberos Kitwk 5⅝ 95	100	†98¼	98½	0	0	5.80
Ralston Purina 5⅛ 94	125	†101	101¼	+0¼	+1	5.21
Santos Finance Ltd 6 94	130	†98	98¼	0	0	6.12
Tokyo Elec Pwr 5½ 93	120	†98½	98¾	0	0	5.73
Tokyo Metropolis 5¼ 94	85	†98½	98¾	−0¼	−0¼	5.44
World Bk 5¾ 94	150	†101¼	101½	+0¼	+0¼	5.55

Average price change On day 0 on week +0¼

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Finland Republic 6⅞ 95	15	100⅛	100⅝	−0⅛	+0¼	6.84
Gdyr Tr & Rubber 7⅛ 95	25	98⅞	99⅜	0	+0⅜	7.25
Mort Bk Denmark 7 92	10	100⅛	100⅝	−0⅛	0	6.92
New Brunswick 7⅛ 95	10	101⅜	101⅞	0	+0⅛	6.90
World Bank 6⅞ 95	25	100⅜	100⅞	0	+0⅛	6.46

Average price change On day 0 on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia Com 12⅞ 90SA	125	102⅜	103⅜	−0½	+0⅜	12.06
Citicorp Aust 13½ 88SA	40	101⅛	102⅛	+0⅛	+0¼	12.77
CSR Finance 13¾ 90 SA	40	100¼	101¼	+0⅜	−0⅛	13.51
Nissho Iwai 13¾ 90 SA	30	100¼	101¼	0	+0½	13.61
Amex 10¾ 90 CS	50	100¾	101¼	−0⅛	+0½	10.48
Genstar Fin 11¾ 95 CS	75	97⅞	98⅜	−0⅛	+0⅝	12.07
Haml-Went'th 10¾ 95CS	25	†95½	98	0	+0½	11.48
Loblaw Cos 11⅞ 92 CS	85	†99¾	100¼	−0⅛	+0⅝	11.93
New Brunswick 11⅝ 95CS	75	†100¾	101¼	−0⅛	+0⅞	11.43
Shell Canada 11¼ 92 CS	75	100½	101	0	+0⅞	11.08
Winnipeg Cty 10⅞ 90CS	50	98⅞	99⅜	0	+0⅜	10.88
BP Capital 15 88 NS	50	98	99	−0½	−0½	15.86
Danish Ex Fin 16⅛ 90NS	40	95¼	96¼	−0⅜	−0½	17.45
KS fims 16⅛ 90 NS	50	97⅞	98⅞	0	+1	16.87
C.N.T 9¾ 92 ECU	75	106⅝	107⅜	+0⅛	+1	8.23
C.N.T 9⅞ 95 ECU	75	104⅝	105⅛	+0⅜	+1	9.16
Eurofima 9⅞ 93 ECU	50	105	105¾	+0⅛	+0¼	8.29
Eurofima 7½ 92 FL	90	104⅝	105⅛	+0¼	+1	6.57
Philips Lamps 7½ 90 FL	100	104⅝	105⅛	+0⅜	+1⅜	6.28
Rank Xerox 8 90 FL	100	104¾	105¼	0	−0¼	6.71
Van Lanschot 7½ 90FL	90	102½	103	−0⅜	−0⅛	6.97
World Bank 7½ 90 FL	150	†104	104½	0	+0¾	6.42
IBM France 11⅛ 90 FF	700	†99⅝	100⅛	−0⅛	+0⅛	11.24
Amer Express 11⅜ 92 £	30	102⅜	102⅞	0	−0¾	10.77
Australia Comm 11 92 £	40	99⅜	99⅞	0	+0⅛	11.05
BP Capital 10¾ 92 £	00	98½	99	0	+0¼	11.08
E.I.B. 11¼ 93 £	90	100¼	100¾	−0⅛	+0⅜	11.10
GMAC UK Fin 10½ 98 £	30	98⅜	98⅞	−0⅛	+0⅜	10.86
Imp Chem Inds 11¼ 95 £	75	100¼	100¾	0	+0⅜	11.16
Inco 12¼ 93 £	50	100	100½	0	+0⅞	12.03
Mcdonalds 10⅞ 90 £	40	99¼	99¾	0	+0¼	10.98
Privatbanken 11⅞ 92 £	20	100	100⅛	0	+0⅜	11.79
Rank Xerox 11 92 £	40	99	99½	0	+0¼	11.14
Royal Trustco 11⅝ 90 £	30	100	100½	−0⅛	+0¼	11.35
Star Drug Cap 10⅞ 98 £	30	99⅛	99⅝	0	+0¼	11.02
Tricentrol XW 11 92 £	35	94¾	95¼	0	+0¾	12.10
Trusthouse Forte 11⅛ 90£	50	99⅛	99⅝	0	+0½	11.27
World Bank 11¾ 95 £	100	102⅜	102⅞	−0⅛	+0⅜	10.78
E.C.S.C. 10½ 94LF	100	102⅞	103⅞	+0⅛	−0⅛	9.81
Nat Lux Alum 10⅛ 92 LF	600	104½	105½	−0¼	−0⅜	9.48

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Banco di Roma 5¼ 92	0	99⅜	99⅝	24/7	7.88	7.90
BankAmerica O/S 5¼ 95	0⅛	99¾	100¼	3/9	8½	8.73
Bank of Montreal 5 95	0⅛	100⅜	100⅞	28/7	8¾	8.68
Bankers Trust 0 2000	0	99⅜	99⅞	11/9	7.69	7.71
Bankers Trust 5¼ 98	0⅛	100⅛	100⅜	13/8	8.88	8.84
B.F.C.E. 5¼ 99	0⅛	100¼	100½	13/9	10.06	10.02
B.N.P. 5¼ 98 (July)	0¼	100	100¼	22/7	8⅛	8.11
C.C.F. 5¼ 97	0	99⅞	100⅛	22/9	10⅝	10.63
Chase Man'tn 5 2000	0	99⅝	100⅛	9/8	8⅝	8.64
Chase Man'tn 5¼ 2009	0⅛	99¾	100¼	5/9	7.81	7.81
Citicorp O/S 5¼ 95 Sep	0⅛	99⅝	99⅞	19/12	11.19	11.22
Credit Lyonnais 5¼ 95	0⅛	100⅝	100⅞	11/10	9.88	9.82
Ireland 5¼ 97	0	100⅛	100⅜	30/10	9.80	9.80
Ireland 5¼ 99	0	100¼	100½	14/9	10	9.96
Italy, Republic 5 94	0⅛	100	100½	12/11	8⅞	8.86
Lloyds Bank 5¼ Perp	0¼	99⅞	100⅜	9/12	8	7.99
Midland Bank Perp 0	0¼	99⅝	100⅛	19/12	8⅛	8.14
Nat West Perp 5	0⅛	101⅛	101⅜	13/11	8⅛	8.01
Nat West Perp A 5⅛ S	0¼	99⅝	99⅝	9/1	8¼	8.29
Nat West Perp B 5¼ S	0¼	99½	99¾	9/8	8¼	8.27
Queensland Coal 5¼ 95	0¼	100⅜	100⅝	12/11	9	8.96
Roy Bk Canada 5 2005	0⅛	99⅝	99⅞	5/8	7⅞	7.90
Roy Bk Scot 5¼ 2005 £	0	99⅛	99⅜	2/8	12.81	12.91
Sweden Perp 5¼	0¼	100	100¼	9/1	8.31	8.29
Tokai 5¼ 99	0⅛	100¼	100½	12/12	8⅛	8.09

Average price change On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 3 99	4/84	1053.64	110⅝	111⅜	+0⅛	6.79
Fanuc 3¼ 99	1/84	7032.3	147	148½	+0¾	38.81
Fujitsu 3 99	5/84	1320.9	80⅜	81⅜	0	21.37
Kumagai Gumi 3½ 2000	3/85	600	148⅛	150⅛	+0¾	4.36
Marui 3½ 99	7/84	1162	120	121	+1¼	3.56
Mitsubishi Elec 2⅞ 00	3/85	422	91⅜	92⅜	+0¼	8.50
Murata 3½ 99	2/84	2351.2	86⅝	87⅝	−0¼	31.19
Murata 3½ 2000	7/84	2398	85⅝	86⅝	S	30.23
Nippon Elec 2¾ 2000	1/85	1285	83⅝	84⅝	+1¼	35.35
Nippon Oil Co 3 2000	3/85	923	102⅞	103⅞	+0¼	7.42
Nippon Oil Co 3¼ 99	3/84	1052	†103	104	+1	25.18
Oki Elec Ind 3½ 99	10/84	805	86⅛	87⅛	+0⅛	32.16
Orient Leasing 5¼ 95	6/83	2680	96¼	97¼	+3	9.40
Sekisui House 3 99	6/84	612	132¾	133½	+2⅜	4.31
Sony Corp 2 2000	5/85	4578	85⅜	86⅜	+2⅛	6.30
Sumitomo Corp 2⅞ 99	5/84	593	116⅞	117⅞	−0¼	4.97
Taiyo Yuden 3¼ 2000	3/85	1078	86¼	87¾	+0¼	−1.79
Takeda Riken 3⅛ 2000	10/84	7683	†79	80	0	28.36
Tokyo Sanyo Elec 3½ 99	12/84	772	96⅜	97⅜	−0⅜	3.40
Toshiba Ceramics 3 2000	4/85	1734.2	84⅛	85⅛	+0¼	18.11
Nippon Oil Co 2⅝ 92 SF	3/84	1052	†105¼	105½	+0⅛	28.80
Nippon Shinpan Co 2 92 SF	3/84	801	†98	98½	−0¾	20.06
Asics 5 92 DM	12/83	520	106⅝	107⅛	0	27.71
Sun Realty 6⅛ 92 DM	2/85	338	274½	276½	+1½	−2.16

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three month; § above mean rate) for U.S. dollars. C.cpn = current coupon. Cu. yld = current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

N. AMERICAN QUARTERLIES

AMERICAN INTL. GROUP
Insurance

Second quarter	1985 $	1984 $
Net profits	96.3m	74.9m
Net per share	1.30	1.01
Six months		
Net profits	186.3m	190.8m
Net per share	2.61	2.69

HIRAM WALKER RESOURCES
Distilling, resources

Third quarter	1984-85 $	1983-84 $
Revenue	840m	837m
Net profits	67m	60m
Net per share	0.68	0.61
Nine months		
Revenue	3.08bn	3.01bn
Net profits	267m	221m
Net per share	2.85	2.35

ZAYRE
Retailing

Second quarter	1985 $	1984 $
Revenue	839.7m	704.4m
Net profits	15m	12.4m
Net per share	0.55	0.46
Six months		
Revenue	1.59bn	1.33bn
Net profits	29.1m	23m
Net per share	1.07	0.86

THOMSON NEWSPAPERS
Newspapers

Six months	1985 C$	1984 C$
Revenue	459.2m	391.4m
Net profits	79.4m	70.3m
Net per share	0.54	0.47

TURBO RESOURCES
Energy

Six months	1985 C$	1984 C$
Revenue	318m	279m
Net profits	7.4m	†59.7m
Net per share	0.05	—

†Loss

AIBD BOND INDICES

WEEKLY EUROBOND GUIDE AUGUST 13 1985

	Redemption Yield	Change on Week	12 Months High	12 Months Low
US Dollar	10.849	0.218	13.118	10.629
Canadian Dollar	11.809	−0.113	13.840	11.708
Euroguilder	6.725	−1.770	7.896	6.638
Euro Currency Unit	9.299	0.744	11.325	9.230
Sterling	11.064	1.246	12.123	10.809
Deutschemark	7.082	−0.058	8.251	7.071

Bank J. Vontobel & Co Ltd, Zurich - Telex 812744 JVZ CH

Henkel family considers public share offer

BY JONATHAN CARR IN FRANKFURT

HENKEL, the family-owned West German chemicals concern which invented Persil washing powder, may soon make the first public share offering in its 109-year history. The owners are expected to decide on the matter by the end of this month. If they give the green light, then a public issue of Henkel shares could be made in the autumn.

The move would be a major fillip to the "new issue" business in Germany, which had a burst of activity in 1984 but has been less active so far this year. But one thing already seems certain. The "Henkel Clan" will remain in firm control of the company, and any issue made will almost certainly be of non-voting preference stock.

On the face of it, Henkel hardly seems to be in need of an injection of funds from outside. The Henkel report for 1984 (the first the company has produced on a world consolidated basis) shows group net profits up by 26 per cent to DM 130m ($46.7m) on sales revenue up by 10.3 per cent to DM 9.3bn. Cash flow up by 23 per cent to DM 718m exceeded overall investment by almost one-third, while capital and reserves together make up 40.4 per cent of the balance sheet total.

There are several reasons, both business and personal, why Henkel may nonetheless "go public" (at least a bit). One relates to Henkel's highly diversified product structure in five major divisions; chemicals (30 per cent of turnover), detergents (29 per cent), adhesives (19 per cent), hygiene and technical cleansers (15 per cent) and cosmetics (7 per cent). This range puts Henkel np against a lot of giants from Procter and Gamble to BASF, and the ability to tap outside funds. could be crucial in the competitive battles of the late 1980s and 1990s.

Second, Henkel could bardly find a better moment for a public issue. The stock market is buoyant (apart from a hiccough in July) and investors are likely to gobble np the Henkel shares as they did those of Porsche and Nixdorf in two new issues last year.

Moreover, it is widely believed that Henkel profits will jump sharply in 1985 on virtually unchanged sales. The reasons are an internal reorganisation of the group which has improved efficiency, and the dropping of some product lines which had shown steady losses. The upshot is that the profits return on turnover will improve, and make an investment in Henkel shares look still more attractive.

Finally, one personal reason for a public share issue probably centres on Dr Konrad Henkel, a grandson of the founder, Fritz Henkel, and the key architect of the group's development in the 1960s and 1970s. Dr Henkel is now chairman of the supervisory board as well as senior partner, and will be 70 in October.

It is felt likely that he favours a public issue as a move to safeguard the group's future—and his voice naturally counts for a great deal.

Even so, a decision will not necessarily be simple. Under Fritz Henkel's will, ownership of the company was split three ways, 40 per cent going to the descendants of the eldest son, 40 per ceot to those of his second son and 20 per cent to those of his daughter. Thus there are now 86 people from three "clans" involved in the decision-taking—quite a challenge but, on the whole, so far relations between those involved seem to have been remarkably harmonious.

Dr Konrad Henkel, grandson of the founder

Woolworths buys Safeway units

BY LACHLAN DRUMMOND IN SYDNEY

WOOLWORTHS, the No. 2 Australian retailer in terms of sales, has agreed to acquire the local supermarket operations of Safeway Stores of the U.S.

The deal is worth something over A$150m (US$107m) and will add A$1bn of supermarket sales to Woolworths, which turned over A$3.7bn in the year to January.

The deal gives Woolworths leadership in supermarket sales over its arch rival, Coles, which is taking over the Myer department store chain. Coles Myer will have combined sales of around A$10bn.

Woolworths, which is not connected with the U.S. and UK groups of the same name, is paying for Safeway Australia partly by placing 10 per cent of its capital, worth around A$75m, with the U.S. parent which will also eventually gain the 12 per cent of Woolworths shares bought on-market by a third party yesterday for almost A$85m This will see Safeway end np with 20 per cent of the expanded capital of Woolworths whila ensuring profits per share are not diluted.

With Safeway in the fold Woolworths will have just on 30 per cent of Australian grocery sales compared with a current market share of around 21 per cent and the almost 23 per cent stake held by Coles.

Importantly it will give Woolworths a 30 per cent market share in the state of Victoria whera it has been under-represented with only some 13 per cent of the market. Safeway is based in Victoria and holds 17 per cent of the grocery market.

The impact in the largest state, NSW, where Woolworths has almost 22 per cent, will be e tiny one per cent, although in the faster growing Queensland market its share will jump to around 30 per cent from close to 15 per cent.

Safeway earned A$10.4m on sales of almost A$1bn in the year to September while in the year to January Woolworths earned A$61.3m on sales of A$3.76bn. Economies from increased buying strength and integration of head office, buying, and distribution functions should allow Woolworths to bring the Safeway margins np from a bare one cent in the dollar closer to 1.64 cents.

Meanwhile, the directors of Myers yesterday formally recommended acceptance of the takeover offer from Coles. Directors and associstes accounting for some 50 per cent of shares have slready indicated they will accept. The recent scramble in the market for Myer shares as a means of gaining cheaper entry to Coles shares suggests most shareholders will take the cash and shares alternative while those seeking cash will by-pass the A$3.25 a share offer from Coles to take the A$3.40 a share availabla in the market.

SIA group net profits up 28%

By Chris Sherwell in Singapore

SINGAPORE International Airlines, the biggest profit-earner among the government's stable of more than 50 companies, and its first candidate for privatisation, has reported record group after-tax profits of S$179.5m (U.S.$81.7m) for the year ended March 1985, np 28 per cent on the previous year.

The figure is contained in SIA's annual report, which also confirms a 21 per cent increase in profit from airline operations to S$83.8m, first revealed in June. The report says the airline is budgeting for a 7.4 per ceot increase in traffic in 1985-86 after 11.9 per cent last year, and looks forward to another profitable year.

On the planned share affer to the public, Mr J. Y. Pillay, SIA's chairman, says "the exercise may reach fruition this year, or perhaps next year." This is later than the Septemebr target date previously hinted at and follows continued weakness in the local stock market. At present members of SIA's 10,100 staff hold 24 per cent of the capital.

SIA's results are in line with the improved earnings shown by the international air transport industry, and stand in sharp contrast to Singapore's overall economic prospects this year, when it faces zero or even negative growth.

The only negative trend shown in the results is in unit yields, which dipped 7.1 per cent on the passenger side and 1.5 per cent on the cargo side, principally because of the strengthening Singapore dollar. According to Mr Pillay, the overall drop over the past 30 months amounts to 14.4 per cent.

The average age of SIA's fleet of 33 aircraft is now a remarkable 29 months, according to the report, down from 37 months a year previously. This makes it the most modern fleet in the world. Another eight aircraft, including six Boeing 747-300s, were still on order at the end of March.

Sharp first-half recovery for Sun Hung Kai & Co

BY OUR FINANCIAL STAFF

SUN HUNG KAI and CO, the Hong Kong-based parent of Sun Hung Kai Securities, staged a sharp recovery in profits in the first half of 1985, with net earnings jumping from HK$14.7m or 2.6 cents a share to HK$33.4m (U.S.$4.3m) or 5.9 cents.

The rise partly reflects increased commissions from broking activities at the securities offshoot, spurred by the npsurge in shares on the Hong Kong stock market since the Sino-British settlement on the colony's future.

For tha whole of 1984 the company made net profits of just HK$14.45m, excluding extraordinary losses of HK$6.28m, amid falling revenues from the commodities and securities divisions.

The latest fignres exclude from May 1 the results of Sun Hung Kai Bank, whose sale to the Bahrain-based Arab Banking Corporation was completed on that day for HK$360m.

The sale produced an extraordinary loss of HK$191m, mainly from property revaluations, bnt the company said in March that this would be offset by a HK$230m extraordinary gain from the sale of the company's holding in HK-TVB, one of Hong Kong's two main television companies.

The net extraordinary gain, which is excluded from the latest figures, emerges at HK$39.8m, compared with a loss of HK$4.7m a year earlier.

Until recently, ownership of Sun Hung Kai & Co was shared among three main partners, Merrill Lynch of the U.S., Paribas of France, and Mr Fung King Hey, the chairman. Earlier this year Paribas sold its stake to Mr Fung, a local businessman, who is now majority owner of the company.

The company said yesterday that after several restructurings it had considerably strengthened its financial position and had no long-term debt. Shareholders' equity was worth about HK$900m and the company had a "strong cash position."

An interim dividend of 2.5 cents a share, compared with 0.5 cents a year ago, has been declared.

Hooker tops forecast with 73% increase in earnings

BY OUR SYDNEY CORRESPONDENT

HOOKER CORPORATION, the Australian property group, has reported a 73 per cent increase in net earnings from A$20.2m to A$34.8m (US$24.8m) for the year to June 30, exceeding by 8 per cent forecasts made as it defended itself against a takeover bid in March.

The profit announcement came as the unsuccessful bidder, Sunshine Australia, offloaded the remaining 10 per cent of the 30 per ceot stake built up under its offer to Fay Richwhite, the New Zealand merchant bank, for A$31m.

Chase Corporation, a New Zealand property and investment group, last month bought the other 20 per cent of Hooker held by Sunshine, which collected e gross profit of around A$18m

The main input to the improved result came from sharply higher earnings from Hooker's residental land development and its retail, commercial, and industrial projects operations, with house building activities showing a retreat in the face of intensified competition, particularly in the U.S.,

Total turnover went up from A$482m to A$584m and the net profit benefited from a reduced tax charge of A$10.8m against A$12.9m. The interest bill was up from A$28.5m to A$34.4m.

The final dividend of 6 cents takes the total to 11 cents, equivalent to 13.75 cents on pre-scrip issue capital compared with 9 cents paid previously. Profits per share were 21.4 cents against an unadjusted 15.7 cents.

Tho directors believe profit growth will be sustained this year and thet the March forecast for 1985-86 earnings of A$12.1m will et least be achieved, if not exceeded.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1984							
2nd qtr.	102.4	100.4	107	110.2	130.1	3,026	154.0
3rd qtr.	102.3	101.3	106	111.1	133.3	3,076	165.1
4th qtr.	103.4	101.2	104	113.6	164.0	3,103	166.5
1985							
1st qtr.	105.5	102.2	102	112.6	133.9	3,138	157.5
2nd qtr.	107.8	102.8		114.9	141.4	3,174	169.5
January	105.1	101.6	98	111.6	134.4	3,124	157.2
February	105.0	102.1	107	112.0	130.2	3,144	156.1
March	106.5	102.8	102	113.8	136.5	3,147	159.2
April	107.6	102.5	87	114.1	140.3	3,176	166.7
May	108.2	102.3		114.6	142.0	3,177	167.1
June	107.6	103.6		116.0	141.8	3,169	174.8
July				116.1		3,175	179.7

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (meterials and fuels); engineering outpnt, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1984							
2nd qtr.	101.6	96.8	105.5	98.8	107.6	97.7	18.0
3rd qtr.	102.0	97.7	104.6	100.2	110.8	98.2	16.2
4th qtr.	102.5	98.3	106.1	99.7	107.3	99.4	13.3
December	103.0	100.0	106.0	101.0	109.0	100.0	9.5
1985							
1st qtr.	102.2	101.3	108.9	102.7	112.1	98.9	13.8
2nd qtr.	101.8	102.6	113.2	103.4	119.9	99.1	18.3
January	102.0	100.0	109.0	102.0	108.0	98.0	11.7
February	102.0	101.0	108.0	103.0	112.0	99.0	13.2
March	102.0	102.0	110.0	103.0	117.0	100.0	16.6
April	102.0	102.0	113.0	103.0	119.0	98.0	17.9
May	102.0	102.0	114.0	103.0	120.0	99.0	19.9
June	103.0	104.0	112.0	104.0	121.0	100.0	18.8

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); exclnding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1984							
2nd qtr.	109.1	119.7	−1,228	−203	+1,543	97.3	15.51
3rd qtr.	109.9	122.7	−1,643	−512	+1,804	97.2	15.26
4th qtr.	119.7	129.1	−1,327	+373	+1,468	96.6	15.52
1985							
1st qtr.	120.5	128.5	−1,347	+123	+1,862	96.2	14.80
2nd qtr.	120.3	125.7	−297	+1,203	+2,361	97.9	14.11
January	118.2	121.2	−86	+402	+926	96.5	15.52
February	123.6	127.5	−263	+207	+675	95.9	15.35
March	119.6	136.8	−999	−486	+260	96.3	13.53
April	121.5	129.7	−277	+223	+684	97.0	14.03
May	121.4	120.8	+224	+724	+835	98.0	13.98
June	118.1	126.6	−243	+257	+842	98.8	14.32
July							14.26

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the privata sector (three mooths' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1984							
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,876	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,813	10.50
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,946	9.63
December	12.2	27.2	12.1	22.4	1,004	972	9.63
1985							
1st qtr.	2.2	9.7	9.1	15.2	1,511	3,146	13.05
2nd qtr.	5.1	32.4	19.9	19.2	1,523	3,082	12.50
January	5.0	9.0	13.6	16.3	823	1,168	14.00
February	3.1	−5.0	4.6	13.3	474	1,013	14.00
March	−1.3	−1.2	9.2	16.0	214	965	13.50
April	5.4	22.2	18.8	19.5	507	1,061	12.63
May	4.2	33.2	18.4	17.7	615	1,042	12.63
June	5.7	44.6	23.8	20.2	401	979	12.50
July					650		11.50

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1984							
2nd qtr.	155.9	124.3	132.0	350.9	329.1	305.06	79.8
3rd qtr.	159.6	134.1	132.8	353.9	326.8	288.95	78.0
4th qtr.	164.1	140.1	134.3	358.3	326.8	289.64	74.1
December	165.3	143.4	134.9	358.5	327.6	289.64	74.1
1985							
1st qtr.	165.4	146.2	136.6	362.9	332.8	295.22	72.0
2nd qtr.	170.3	138.6	139.4	375.3	339.4	278.13	78.9
January	163.4	145.3	135.9	359.5	330.6	296.98	71.5
February	164.6	147.6	136.6	362.7	332.5	295.73	71.3
March	168.1	145.5	137.5	366.1	335.4	295.22	73.3
April	169.4	140.8	139.2	373.9	338.8	295.08	78.0
May	169.4	138.8	139.5	375.6	339.3	279.98	78.7
June	172.0	136.7	139.6	376.4	340.1	278.13	79.9
July		134.0	140.0			259.51	83.6

* Not seasonally adjusted.

UK COMPANY NEWS

Depressed markets hit second quarter results of two oil companies

Ultramar profit growth stemmed

THE PRESENT depressed state of the world oil market had an adverse affect on the interim results of two of the UK's independent oil companies, which reported second quarter results yesterday.

The large of the two, Ultramar, saw net profits fall in the quarter from £29.4m to £22.2m to leave profits for the first half of 1985 only 4 per cent ahead at £66.8m, scaled down earlier optimistic estimates for the full year.

Tricentrol fared slightly better, with a net return of £6.2m in the three months against £3.9m, for a halfway total up from £11.3m to £14.1m. Almost all the increase, however, came from a fall in the tax charge. At the pre-tax level, profits were almost static at £6.7m (£6.5m) for the quarter end at £15.6m (£15.1m) for the half year.

Most of the problems for Ultramar came in its downstream operations in Canada and the U.S. east coast, which slipped into losses for the quarter of £3.2m, ageinst a comparable £1.4m profit, leeving the interim figure down at £13.7m, against £19.4m.

Mr Lloyd Bensen, Ultramar chairman, said that the company was undertaking a major restructuring of these operations at a "fairly substantial" cost, but the benefits would not flow through until next year.

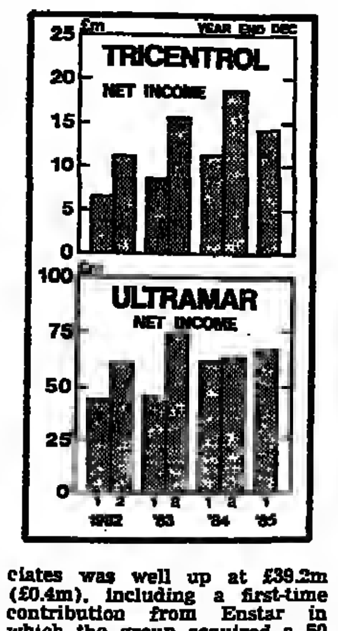
However, be was cautious for the year as a whole. "We are not expecting a bonanza," he said, hut indicated that the outcome would be an increase on last year's record profit of £127.6m after tax.

Mr Bensen also pointed out that the comparable profit figure for 1984 bad been boosted by £10.1m received as settlement of an insurance claim.

The level of improvement over the year would depend on three factors, said Mr Benson: exchange rotes—the strong pound had wiped an estimated £5m from the first-half profit; tho price of crude oil—the chairman considered that the next month was crucial and if prices were unchanged by September "it would make no sense to cut them from then onwards"; refinery margins—they had been very thin in the balf year.

Turnover for the quarter dropped from £688.1m to £586.8m to leave the half year down at £1.37bn (£1.49bn), producing gross profits of £219.3m (£191.4m) for the balf. The itnerim share of profit from associates was well up at £39.2m (£0.4m), including a first-time contribution from Enstar in which the group acquired a 50 per cent stake last year.

The interim dividend is raised from 3.5p to 4p on the ordinary shares, which closed last night at 216p, down 10p.



● comment

Given tha sheer weight of information in Ultramar's Interim statement, it was surprising to see no mention of negotiations to buy Gulf Canada's marketing operations in the Canadian East; or perhaps Ultramar thought bettar of baiting sbareholders who bave been obliged to watch a massive commitment of their equity into downstream operations for a return, in the second quarter, of precisely £400,000 at the operating level. Without doubt, e string of gas stations in Quebec and the Maritimes would belp capacity use at Ultramar's Quebec refinery, but the return on downstream activity in a deregulated market scarcely cries ont for investment—as Gulf Canada well knows. It is fortunate thet Ultramar (like Burmah with its Castrol subsidiary) has a stabla business in Indonesian LNG, which also gives some protection on the currency swings and roundabouts. But it is hard to see mucb movement in earnings, or in the share price which fell 8p yesterday to 205p. After all, prospective yield support of 7.5 per cent has to compare with Shell, let alone the Britoil's new shares.

Tricentrol as expected in weak market

Tricentrol's half-way figures were in line with market expectations, which bad foreseen a felling off from the buoyant market conditions of the first quarter.

The company said yesterday that despite some price weakening, the lower crude off-lift had compensated for the slackening demand, and as a result the oil trading market was less volatile than expected.

It warned, bowever, that Opec remained under severe pressure in view of the steep fall nf consumption of oil products.

Along with the interim results, Tricentrol also announced that it bad concluded e deal with tha Australian company Ampol Exploration whereby Ampol becomes "virtually responsible" fnr the cost of developing the offshore permit wbich contains the Talisman discovery.

The move is intended to reduce the borrowing level which Tricentrol requires to develop its current discoveries. The company yesterday described the deal as esseotially a "tidying up operation" which would help to control its debt level. It estimated a current net gearing rate of around 83 per cent.

Tricentrol bas often been regarded as a likely takeover target, and Enterprise Oil bolds a stake of nearly 5 per cent in it. The past six months has seen moves to strengthen the balance sheet with a £35m Eurobond issue in June and a £45m convertible rights issue last February.

Turnover for the three months fell from £24.8m to £23.9m, leaving the balf-year figure £1m down at £53.5m. This produced gross profits of £8.9m (£9.8m) for the quarter and £21.8m (£20.6m) for six months.

Tax charges for the six-month period fell from £0.9m to £0.4m in Petroleum Revenue Tax and from £2.3m to £0.3m in corporation tax. The company said that tax would continne at e low level until the Wytch Farm development came on stream some three years from now.

It would maka no firm forecast for the full 1985 year, wbich it said depended on variables such as the price of crude and exchanga rates. It is particularly exposed to dollar fluctuations, as most of its profits come from North Sea production.

The interim dividend is unchanged at 4p per share, covered by earnings for tha balf year of 15.2p (12.2p) basic and 13.8p (12.2p) fully dilnted. Tha shares closed last night at 195p, up 2p.

See Lex

Ryan International recovers after miners' strike

WITH THE ending of the miners' strike and the selling of its entire U.S. interests, Ryan International returned to profits in the first balf of 1985. With these problems, which lead to a refinancing package in March, behind it the company says prospects for the second half are encouraging.

The Cardiff-based coal recovery company ran into beavy losses on both its UK and U.S. operations in the second balf of last year resulting in a loss for the year of £2.31m. The profit at the halfway stage was £1.01m.

In the six months to the end of June 1985 it reported taxabla profits of £1.21m on turnover up by 38 per cent to £16.89m (£12.23m).

Directors say that comparisons between the twn first halves is difficult because of the changes to the company in the period under review. At the end of 1984 net asset value was £1.55m; by the end of June that bad risen to £7.9m, wbereas net borrowings bad been cut from £13.73m to £4.87m.

During the six months the Belgian activities maintained their impressive perfomance. In tha UK the first four months were severely affected by the miners' strike, bot since May operations were encouraging and continued profitability is expected.

Operating profit came out at £1.65m (£1.82m) with £54,000 (£42,000 loss) from the sbare of associated company profit. The pre-tax figure was struck after net interest payable of £498,000 (£782,000).

With tax at £488,000 (£517,000) earnings per 5p share came out at 1.63p (1.53p). There was an extraordinary credit of £2.12m made up of the disposal of the U.S. interest and the settlement of certain bank borrowings.

GrandMet sales up 12% at nine months

Grand Metropolitan, the brewing, hotels and leisure group, raised external sales by 12.2 per cent to £4.13bn for the nine months ended June 30, 1985, against £3.68bn fnr tha same period of the previous year. At the interim stage, turnover was 12.7 per cent higher at £2.75bn, compared with £2.44bn.

At the same time GrandMet USA has reported a sharp rednction in third quarter results. Net earnings for the three months to June 30 fell te $7.88m (£5.7m) against $26.38m before, leaving the nine months' figure lower at $33.1m (£23.8m) against $80.62m.

Operating income for the quarter dropped to $22.65m ($49.78m) making e nine months total of $64.64m ($142.23m). Net sales fnr the periods were $481.4m ($444.38m) and $1.37m ($1.27m) respectively.

The reduction in income derived in the main from continuing price competition in the market for generic and private label cigarettes, and also reflected a lower level nf consumer demand for fitness equipment.

The promotional price incentives for generie and private label cigarettes, which have reduced operating income from the cigarette business to nominal levels, have been extended until December 31 1985.

Costs and expenses for the nine months totalled $1.31bn ($1.13bn)—costs of goods sold were $897.12m ($833.56m) and selling, administrative and general expenses $412.31m ($296.83m).

Interest income totalled $25.19m ($32.91m). Interest expense took $16.3m ($13.51m) and corporate expense $10.7m ($10.6m), while income tax provisions accounted for $31.62m ($72.3m). Other income added $1.89m ($1.88m).

GrandMet U.S.A's. results, arrived at in accordance with U.S. purchase procedures, represent the activities reported by the gronp as U.S. Consumer Products and include those of Quality Care, since its acquisition in January 1985.

Guinness raises stake in A. Bell

Guinness yesterday slightly increased its stake in Arthur Bell & Son, the Scotch whisky distiller, by buying just under 1m shares on the open market.

This brings its shareholding acquired on the open market to more than 13 per cent with a further 5.35 per cent pledged in acceptances to its original offer. Last week Guinness raised its offer to shareholders in this take-over battle which is being hotly contested by a majority of the Bell's board.

Hobson battle concluded

By Charles Batchelor

The bitter 10-month battle between the board of Hobson, the USM-quoted maker of aluminium dies, and its former managing director, Mr George Nichnlson, came to an end yesterday with an announcement that Mr Nicholson had agreed to sell his 34.6 per cent holding in the company.

Hobson's shares rose 4p to 19p. They have traded between 12p and 25p during 1985.

Hobson said that Mr Nicholson "has dropped all actions and claims against Hobson and its directors, has retracted all the defamatnry statements and allegatinns made by him against the company, its directnrs a nd advisers. He has written letters of retraction and regret tn the parties involved."

Mr Nicholson confirmed this agreement which he described as simultaneously n matter of relief and regret.

Mr Nichnlson and other dissident shareholders failed to win e vote of no confidence in the Hobson board at last month's annual meeting.

Mr Nicholson was dismissed last April for allegedly "wanting to run the company wbolly in accordance with his own wishes and not with the decision nf tha board," according to a company circular to shareholders.

He announced plans to take the company to court for breach of contract and to claim compensation of £250,000 under section 40 of the 1977 Patent Act for his invention of a new process to manufacture aluminium dies.

The agreement means Mr Nicholson is released from a restrictive covenant preventing him from selling his 3.6m ordinary shares before June 1987. His shareholding has been placed by stockbrokers Heseltine Moss with a number of investors.

Electronics losses push BSR £3.5m into the red

A PLUNGE into losses on its electronics side has pushed BSR International £3.5m into the red at the interim stage. This comnares with a pre-tax profit of £8.8m for the first half of 1984.

BSR shares shed 2p to 73p on the announcement and later fell away further to close 7p lower at 68p.

The group loss was after unspecified provisions in respect of tha creditors agreement negotieted with Acorn Computer Group. In addition, the board has contínued to invest in research and development in order to position the group for tha future and R & D expenditure—included in the interim results—was up 16 per cent at £3.6m.

The directors are adopting a cautious epproach to the balance of the current year. They anticipete bowever, that a profit will be earned in the full year (£26.8m pre-tax in 1984). Tha interim dividend is beld at 0.385p net end the directors predict that the final dividend will be maintained et last year's level of 1.295p net.

Group turnover for the six months to June 30 dropped from £152.3m to £135.5m. Operating profits, after the provisions made against Acorn, came out much lower at £0.4m, against £11.1m.

Mr Bill Wyllie, the chairman, said yesterday that be was not prepared to quantify the size of the Acorn provisions, but added that be believed those already made were adequate.

Despite the first-half loss, be said the group was in good shape. "We have bad two years of clean up and restructuring and we are in good shape to ride out tha adjustments that are taking place in the industry."

The electronics side experienced its first significant setback for some years. Turnover fell 9 per cent to £100.9m, caused mainly by the impact of order rescheduling and components destocking by tha group's major OEM customers. This downturn in business resulted in an operating loss of £1.6m (£10.9m profit).

The company says that in dedicated customer engineering terms, the electronics division is currently engaged in the development of more than 70 product engineering programmes for establisbed OEM clients. This is the largest development programma that BSR has been involved in at any tima in recent years.

The majority of these programmes are directed towards business computer and telecommunications related products and auger well for the future. However, the immediate outlook for the computer industry is still clouded with uncertainty, the company states.

Mr Wyllie said the personal computers market was now seeing a dramatic shake-out that would see a lot of the fringe players squeezed out. BSR had not lost any major orders but had seen a fair amount of rescheduling.

Businesses in the industrial group continue to make good progress. Swan Housewares has performed well in a difficult market and although balf-year results were not as good as last year, the further rationalisation of the manufacturing facilities now completed, together with new products planned for the second half, should lead to improved full year results.

The chairman yesterday rejected speculation that further disposals were being considered within the group's industrial operation. All of the industrial companies were profitable, he said and would be maintained as part of the group.

The audio business returned tn profit reflecting the benefits of the closures carried out in 1984 and 1985 and the reorganisation of the dbx business in Boston, U.S.

Net interest charges for the period increased from £2.3m to £3.4m. Tax on overseas earnings took £0.5m (£1.1m) with brought forward losses again absorbing UK tax liabilities. Net loss was £3.5m (£7.7m profit) resulting in stated loss per 10p share of 2.15p (4.67p earnings).

Extraordinary charges amounted to £3.3m (£2.3m) and included a further provision to write down the group's remaining empty UK properties to current realisable values. There are now only three such properties remaining and negotiations are well advanced for the disposal of one of these, which should yiald at least £1m cash in the second six months.

Also included in extraordinary charges was a provision for the estimated costs of closing Swan Housewares' Northern Ireland factory. Tha closure was well advanced at the half year and has now been virtually completed. Net attributable loss came to £6.8m (£5.3m profit) and after dividends, the retained deficit was £7.7m (£4.4m surplus).

Despite the difficulties experienced in the period, the directors remain confident that the group's business is soundly based.

DIVISIONAL ANALYSIS OF HALF-YEAR RESULTS

	Turnover 1985 £m	Turnover 1984 £m	Operating profit 1985 £m	Operating profit 1984 £m
Electronics	100.9	110.6	*1.6	10.9
Industrial	14.9	15.7	1.3	1.1
Housewares	15.3	18.2	nil	0.3
Audio	2.4	7.8	0.7	*1.2

* Loss.

● comment

Leading indicators of BSR's poor first balf have been flashing periodically throughont thet period: a share price that has recently been as low as 40p after clearing 300p in the middle of last year, is evidence that the market retains few illusions. Yet there has been a ghostly imitation of tha old speculetive run-up tn results, somewhet disappointed by the outturn; tha shares dropped 7p to 68p. Given the presumebly nonrecurrent nature of losses associated with Acorn, and BSR's lessening dependence on the personal computer market, tha attributable loss seen here should be the bottom of BSR's cycle, with the final dividend secured by the need not to elienate the shares' few remaining friends. Tho outlook should perhaps be assessed in tha light of other component supply cycles, where investors are normally prepared to anticipate tbe emptying of the stock pipeline. It is plain enough, however, that althougb BSR bas kept its balance sheet in reasonable shape and shaken nut a lot of costs during this year's personal computer glitch, the market is not yet prepared to put much money on the recovery.

Heavy tax and provision carry ML into loss

ON TOP of seeeing a £300,000 profit advance wiped out by substantially increased tax, the ML Holdings group of engineers has had to provida an extraordinary net provision of £1.12m against the discontinued activity of its Crown Foundry, which has been sold.

This means that, for the year ended March 31 1985, tha group bas run into an attributabla loss of £351,000, compared with a orofit of £917,000 last time. Tha final dividend, however, is again 5p for an unchanged 7p net total.

Turnover in the year rose by £6.4m to £37.78m and the profit before tax was up 28 per cent, from £1.11m to £1.42m, despite a loss of £163,00 incurred by the foundry.

The provision is for losses arising after the year end. Mr Ralpb Price, tha chairman nf the groop, tells shareholders that the business had taken up a disproportionate amount of management time and its disposal enables the group to concentrate on developing the other three profitable businesses.

Income from leasing Crown Foundry Company's fixed assets and loan interest will nrovide a greeter return than has been acbieved by that company for many years, be says.

On the other businesses, he reports that ML Aviation increased its turnover considerably and is beginning to benefit from the commencement of its delivery of nroduction dispensers for the JP233 Airfield Denial Weapon System.

ML Engineering (Plymonth) recovered strongly and has a substantial home and export order book for railway signalling and process control equipment. ML Components had a satisfactory year in the distribution of electrical and electronic parts.

Tax charge is np from £188,000 to £645,000 reflecting the operation of the 1984 Finance Act and the abolition of stock appreciation relief, and this leaves the net profit down from £917,000 to £771,00, for earnings of 20.25p (24.19p) per share.

After dividends, on tha year's working there is a reduction of £630,000 in distributable reserves; but a £2.2m surplus arising un a professional revaluation of group land and buildings gives a year-end net increase of £1.58m.

● comment

Crown Foundry had been a millstone rwound ML's neck for years and its disposal leaves the group free to concentrate on what it is good at — defence equipment and railway signalling. The extinguishing of losses from the foundry business combined with the income from leasing the fixed assets to its new owners (Barbel Investments) ad over £350,000 e year to profits. Meanwhile the aviation division is likely to show strong gains in spite of the MoD's squeeze on margins. The railway signalling division is showing strong growth on the back of its investment in new technology and has an order book four times thicker than at any time in its history. In the long term there is good potential in the group's Sprite miniature remote-controlled helicopter, now et prototype stage. For this year a strong surge to £2.3m looks likely with e fall in the tax rate to 40 per cent. Tha shares rose e further 10p to 275p yesterday following Tuesday's rise of 15p, yet are still on a prospective p/e ratio of only 7 — a figure which apears somewhat out of line with the prospects.

Bristol Oil and Terra Nova settle dispute

By Lisa Wood

THE LEGAL dispute between Bristol Oil and Minerals, the nil finance bouse, and Terra Nova Energy of Canada over Bristol's proposed sale of sbares in Mainline, its Indonesian subsidiary, is over.

A month ago, Terra Nova, wbich bolds 44 per cent of the equity in Mainline, took out a High Court injunction in London against Bristol to stop it selling any of its 51 per cent stake in Mainline to Promet Petroleum group of Malaysia.

Mr Paul Bristol, chairman of Bristol, formarly KCA International, said agreement had been reached in principle for Promet to purchase 33½ per cent of Mainline's equity for US$5m (£3.6m). Some 17½ per cent of this would be from Bristol's 51 per cent interest, acquired for C$600,000 (£319,000) in July 1984. The rest would be acquired from Terra Nova. Of tha US$5m, Bristol would receive US$2.65m in a series nf tranches partly dependent on Mainline's prodoction levels.

Mainline holds a contract with Pertamina, the Indonesian state oil company, for secondary recovery of oil from the Bunyu Island oil field, East Kalimantan.

The terms also provide for Promet to become managers of Mainline in place nf Bristol with Promet providing an immediate loan facility of US$500,000 to Mainline jointly guaranteed by Bristol and Terra Nova.

Bristol and Terra Nova, from whom Bristol acquired its interest in Mainline, have agreed thet the injunction will be lifted on completion of the purchase agreement with Promet. Promet has to complete a legal, financial and technical review of Mainline before it signs the deal.

Expansion for Mckay

McKay Securities, a property investment and development gronp, increased pre-tax profits by 6.8 per cent to £2.49m in the year to March 31 1985 compared with £2.33m a year earlier.

Directors are recommending a final dividend of 1.7p, making a total of 3.25p against the previous year's 2.8p edjusted for a one-for-two scrip issue.

After tax of £907,000 (£1.04m) and extraordinary credits of £98,000 (debits of £2,000), profits reacbed £1.68m (£1.3m). Earnings per ordinary shre rose to 7.3p (6.1p).

Gross income from rents and services charges increased to £4.3m (£3.9m).

A director's valuation of the group's UK investment property on March 31 1985 showed a £4.3m surplus, which has been added to capital reserves.

Acorn Computer

The opening price of 2½p reported in yesterday's Financial Times applied to the old 1p shares of Acorn Computer and nnt, as was stated, to the new consolidated 10p form. Dealings in the new shares are expected to start on September 3, following an extaraordinary meeting on the previous day to approve the new sbare structure.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
BSR Intl. ....int.	0.39	Nov 29	0.39		1.68
Commercial Union int.	4.85	Nov 15	4.85	—	11.8
General Accident ...int.	8	Jan 1	8	—	20
Imry Property	3.6	—	3.2	5.3	4.8
McKay Securities	1.7	—	1.53*	3.25	2.8*
ML Holdings	5	Oct 4	5	7	7
Phicom ....int.	0.35	Nov 29	0.35	—	1.1
Rea Brothers ....int.	0.45	Oct 4	0.45	—	1.25
Ryan Hotels ....int.	0.5‖	Sept 30	Nil	—	0.65
Tricentrol ....int.	4.	Nov 25	4	—	10
Ultramar ....int.	4¶	Oct 21	3.5	—	10
Victor Products	3	Oct 2	3	4.6	4.6

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡USM stock. §Unquoted stock. ¶Carries scrip option. ‖All prices in Irish punts.

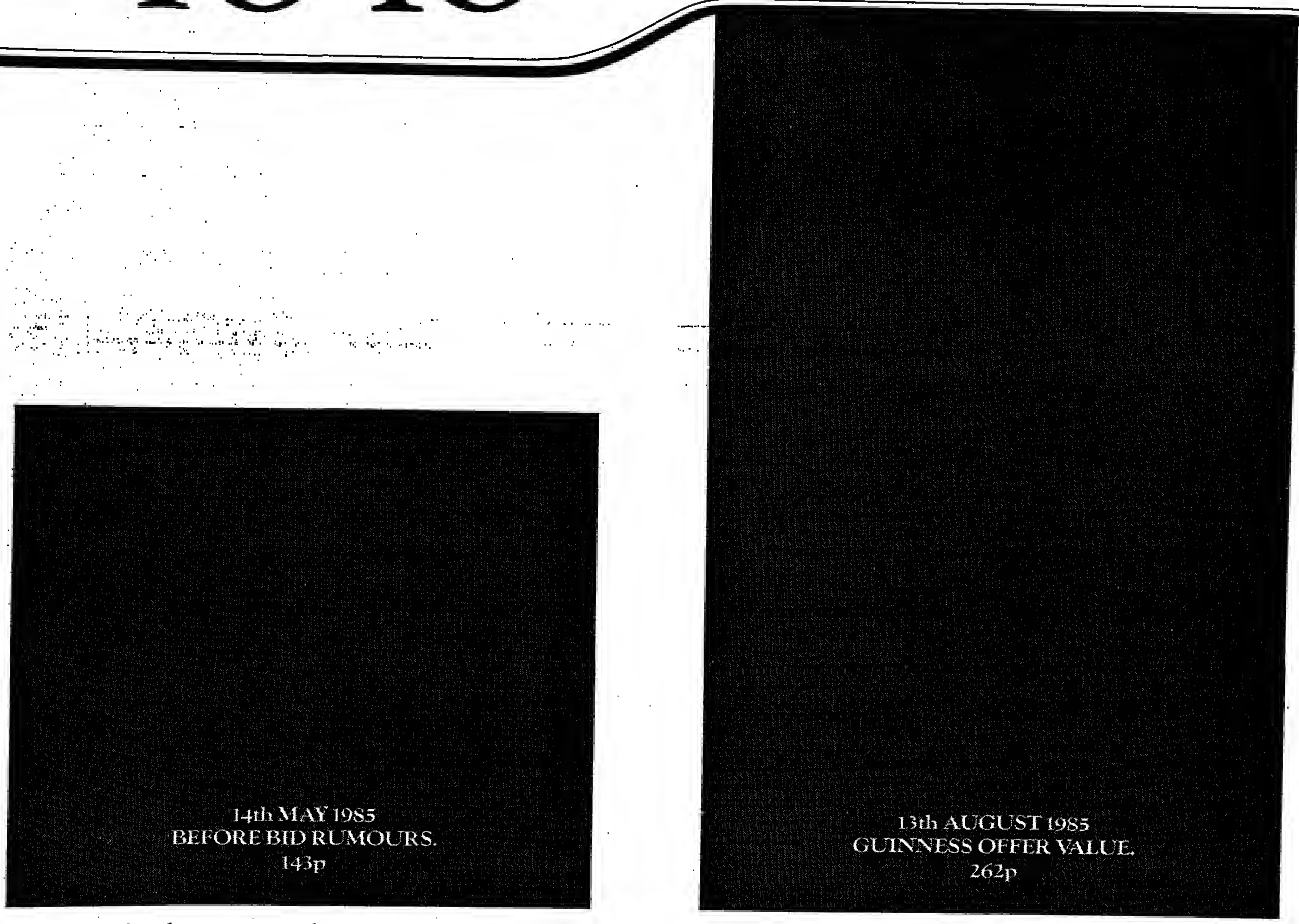
Public Works Loan Board rates

Effective August 14

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	10¾	—	—	11¼
Over 1, up to 2	10¾	10⅞	10⅞	11⅜	11⅜	11¼
Over 2, up ta 3	10¾	10⅞	10⅞	11⅜	11⅜	11¼
Over 3, up to 4	10⅞	10⅞	10⅞	11½	11⅜	11⅜
Over 4, np to 5	10⅞	10⅞	10⅞	11⅜	11⅜	11⅜
Over 5, np to 6	10⅞	10⅞	11	11⅜	11⅜	11⅜
Over 6, up tn 7	10⅞	10⅞	11	11⅜	11⅜	11¼
Over 7, np tn 8	10⅞	10⅞	11	11⅜	11⅜	11¼
Over 8, up to 9	10⅞	10⅞	10⅞	11⅜	11¼	11⅛
Over 9, np to 10	10⅞	11	10⅞	11⅜	11⅜	11⅛
Over 10, up to 15 ...	11	10⅞	10¾	11⅜	11⅜	11⅛
Over 15, up to 25 ...	10¾	10⅞	10⅝	11¼	11⅛	11⅛
Over 25	10¾	10⅝	10⅝	11	10⅞	10⅞

* Non-quota loans B are 1 per cent bigher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

WILL YOUR BELL'S SHARES EVER BE WORTH AS MUCH TO YOU AGAIN?



Only three months ago the price of your Bell's shares languished at just 143p. Now, the Guinness offer values your shares at 262p – a massive 83 per cent increase.

The vital question to ask yourself is "What happens to the price of my Bell's shares if the offer fails through lack of acceptances?"

Don't be confused by conflicting Bell's statements.

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GUINNESS PLC

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BELL'S HAS LOST ITS WAY. GUINNESS IS GOOD FOR BELL'S.

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UK COMPANY NEWS

Imry hit by higher interest rates and lost Turriff revenue

STRUCK AFTER a near £1m rise in finance cbarges to £2.53m pre-tax profits of Imry Property Holdings showed a reduction from £2.13m to £1.79m for the year to March 31 1985.

The sbortfall was due mainly to higb interest rates—particularly in the U.S.—and by the loss of revenue from the Turriff building which is undergoing e complete refurbishment.

Tax charge bowever, was lower at £230,000 (£848,000) and stated earnings per 25p share were ahead from 9.34p to 11.34p. The final dividend is increased to 3.6p (3.2p) for a total 0.5p bigher at 5.3p net. Extraordinary credits came to £30,000 (£74,000).

Net income from investment properties rose from £3.4m to £3.89m after administrative and other expenses of £427,000 (£373,000). Other operating income added £251,000 (£95,000) and share of related company'a profits contributed £171,000 (£311,000).

Net asset value per share moved ahead from £3.86 to £3.98.

All the group'a completed investment properties and properties held for redevelopment bave ben revalued, as at March 31 1985.

Properties at directors' valuation were, completed properties £66.27m, and in course of development £10.6m: et exteroal valuation—completed investment propertie in U.S. £8.32m, et cost and premises used by the group £7,000, making a total of £85.2m.

The net surplus arising on the revaluatioo bas been credited direct to revaluation reserve.

Energy Capital £1m loss

A DECISION taken by the directors of Energy Capital to write down the value of the uranium properties In Wyoming by £1.05m has left the company £1.1m in the red pre-tax for the year to March 31 1985.

Over the prevlous 15 months the company wrote down its oil and gas properties by £453,000 and finished the period £556,000 in loss.

Shareholders are told that the year under review was one of consolidation and reappraisal.

It involved the replanning of the company's strategy and the pursuit of new opportunities.

The include the write-down of the Wyoming properties to a net amount of £162,000, a figure the directors believe could be reallsed at present from the disposal of this investmeot.

For the future, the company's atrategy is to concentrate on oil and gas development, primarily in the Ohio River basin area of West Virginia and Ohio.

Eric Short on top management changes at CU

The issues facing a new team

OVER THE pat decade, Commercial Union Assurance Company, one of Britain's largest composite insurance groups, has been beset by a series of crises, particularly in the U.S.

Eacb crisis bas been more severe than the previous one and recovery seemed to be far away.

However, on the day CU announced 1985 interim results that provided grounds for feeling that recovery was at last ebout to happen, it also revealed that cbanges in its top management are to take place from the beginning of 1986.

Mr Cecil Harris, CU's chief executive for the past three years, is retiring and is being succeeded by Mr Tony Brend—currently head of CU's U.S. subsidiary, Commercial Union Corporation.

Over the past seven years CU's worldwide insurance operations beve steadily deteriorated, culminating in underwriting losses last year of £439m, of which £302m came from the U.S., and e pre-tax loss of £35m.

However, Mr Harris's departure is not a consequence of the dramatic downturn. The whole UK insurance industry has been sliding over this period, though CU bas fared far worse than the other composites.

Mr Harris will be nearly 63 by the end of this year — well beyond the normal retirement age for the group of 60.

During his tenure of office, Mr Harris's time bas heen taken up in bringing ebout e complete U-turn in CU's operational atrategy in order to staunch the massive financial haemorrhages, particularly in the U.S.—a process started by bis predecessor, Mr Jack Emms.

In the 1970s CU, under the chairmanship of Mr Francis Sandilands and chief executive Mr Gordon Dunlop, adopted the pollcy of growth in the U.S.—the world's largest insurance market. This resulted in the U.S. accounting for nearly half of CU's insurance business.


Mr Anthony Louis Brend (left) and Mr Cecil Harris

When the U.S. market went sour, CU's results nosedived. Though all operators in the U.S. were hit, CU was hit barder than most.

The new strategy for CU has been to cut back in the U.S. and reduce its influence on results so thet a greeter degree of stability can be brought in the future trading results of CU.

The main burden of implementing these new policies fell on Tony Brend as bead of CU's U.S. operstions. However, be was no stranger to reorganisation.

Prior to his move to the U.S. in 1981 be had for nine years headed CU's Australian operations.

Here be was responsible for reorganising an operation thet bad problems in the mid-1970s very similar to those of the U.S. but on a much smaller dimension. The better results from a slimmer Australian operation testifies to the effectiveness of his work.

Mr Brend bas set up the machinery for the U.S. reorganisation after e major inquiry into the problems and the necessary solutions.

A process of reternchment bas now begun. Although its full effects will not be felt until 1987, be can leave the implementation to his successor in the U.S., Mr Ken Duffy.

Tony Brend bas achieved a high standing among executives in the insurance market, and his appointment is said to have been received enthusiastically by CU's clients and sharebolders. But there are some question marks over him.

His senior executive experienee bas been concentrated on reorganisation and cutting back on insurance operations outside the UK. He admits that he hes an instinctively better understanding of overseas markets than that of Britain.

However, CU is at the end of its proposed retrenchment a nd presumably the next move is to consider growth. Moreover, by the end of 1985 CU'a largest operating territory will be the UK—an area where over the past few years CU has been losing market share.

However, at this stage, Tony Brend is not preparde to discuss CU's future strategy beyond the immediate operations of retrenchment.

But Mr Harris over the past two years has been emphasising the importance of life and pensions business to CU and the plans for expanding this area of CU's operations. The UK life market is currently enjoying boom conditions

Tony Brend admits to not having studied the possibilities of life business, baving been involved full time in the U.S. So he will be relying very beavily oo the experience of Mr John Linbourn currently beading CU's financial and investment operations.

Much of Mr Linbourn's burden is being taken on by Mr Tony Wyand, at present a UK divisional director, who will become general manager, investments and finance.

CU improves in second quarter and trims losses

WITH good progress continuing to be made in its two largest territories, the UK and the U.S., the Commercial Union Assurance Company showed an improvement in the second quarter and made np some of the ground it lost during the opening three months.

The second quarter produced pre-tax profits of £5.4m, compared with losses of £17.5m for the first quarter, and left the group £12.1m in the red for the first six months of 1985, against losses of £14.5m for the corresponding period last year.

Mr Cecil Harris, chief executive, said that although the second quarter profits were small, he was bopeful that it was a start in the right direction of further improvement in succeeding quarters.

He pointed out that a key factor was a reduction in the underwriting loss in the second three months which fell to £73.7m, compared with £99.9m in the first quarter of 1984 and £99m in the second quarter.

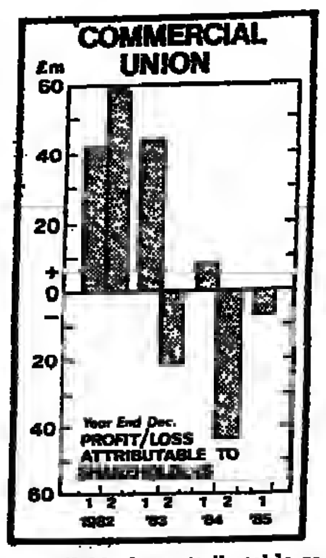
"This is the first time in eight years," he said, "that the second quarter underwriting loss bad declined in comparison with the previous year."

The interim dividend is being held at 4.85p. Mr Harris said the payment was being maintained because ef the financial strength of the group and the "significant progress" made in the UK and the U.S.

Total premium income for the six months amounted to £1.25bn (£1.3bn) and was made up as to life £285.2m (£239.9m) and non-life £964.2m (£1.06bn).

Investment income, net of loan interest, edged ahead to £126.1m (£125m) and life profits rose to £32.4m (£28.9m). The underwriting loss came through at £173.6m, against a previous £173.1m. Associates added £3m (£4.7m).

Tax and minorities accounted for £11.5m more at £16.1m. After taking in realised investment gains of £21.4m (£27.5m) the available loss ettributable to shareholders emerged et £6.8m, compared with earnings of £8.4m.



In the U.S. the pre-tax loss for the second three months of £23.9m showed a small improvement over the first quarter's £31.7m loss. The directors say rate increases averaging 30 per cent on commercial business renewals are being achieved which together witb the other actions taken sbould steadily improve results during the remainder of this year and more especially in 1986.

Outside the U.S. the group made pre-tax profits of £43.5m (£23.3) In the first half.

The main feature was e turnround in the UK (from losses of £7.1m to profits of £20m) while the Netherlands turned In a "satisfactory level of profit."

In the UK most major classes contributed to the improvement, reflecting the actions taken by the board in the past end the general upturo

See Lex

Strong U.S. helps GA break even

REFLECTING a strong second quarter underwriting improvement in the U.S., General Accident Fire and Life Assurance Corporation has almost wiped out the pre-tax loss incurred in the first three months. The group is the fourth largest UK composite office and Britain's leading motor insurer.

Chief geoeral manager Mr Bucham Marshall describes the secood quarter result as "moderately encouraging," notwithstanding exceptiooal weather losses of £6m in North America.

"Despite a disappointing result in Canada we remain reasonebly on course for some improvement in our experience this year, but more substantially in 1986," he says.

In the second quarter the pretax profit came to £18.2m, thereby reducing the loss for the first half of 1985 to £200,000, compared with £2.4m in the same period of 1984 and with a profit of £3.9m in the whole of that year. The interim dividend is held et 8p net.

Premium income on general business rose from £832m to £872.1m and following action to strengthen rates in all territories, investment income moved ahead by £5.8m to £131.8m. The underwriting loss came to £135.7m, against £130.5m, while long terms insurance profits were £4.7m (£2.9m).

Mr Marshall says underwriting losses in the second quarter were marginally up from £50.2m to £53.8m.

There was e strong improvement in the U.S. with the loss reduced by £8.4m to £27.3m. A better first quarter experience in commercial business continued through the second three months, and was the major influence on a marked underwriting improvement.

Experience in the personal property account deteriorated further during the half year but private auto business improved marginally.

The U.S. operating ratios for the second quarter were claims 83.57 (87.85) per cent giving 85.89 (87.66) per cent for the half year, and expenses 30.23 (30.32) per cent giving 30.54 (30.61) per cent.

Experience in the UK showed deterioratioo in the second quarter to £12.4m (£1.8m) for a deficit for the half year up by nearly a third at £43.3m, compared with £32.9m. Despite the usual seasonal improvemeot, losses in the important motor account increased to £8.9m for the half year (profit £2.1m).

In the homeowners and commercial property accounts experieoces were similar to last year, with losses of £9.8m (£9.7m) and £18.3m (£17.4m) respectively.

In other territories underwriting losses at the interim stage were £3.5m higher at £29.6m, with adverse conditions experienced in Canada again being largely responsible—losses there came to £14.6m (£11.7m).

Long-term insurance profit was partly infIueoced by the acquisition in Puerto Rico. In the UK new annual premiums totalled £14m (£16.6m), the 1984 figure being favourably influenced by the pre-Budget increases in business. However, single premiums increased substantially from £24.7m to £38.2m following the launch of the group's unit-linked operation earlier this year.

After e tax credit of £6.8m (£3m) and minorities £1.3m (£800,000) there is a net profit of £5.3m attributable to shareholders for the half year, compared with a loss of £200,000. Earnings are shown et 3.1p (loss 6.1p).

Currently, shareholders' worldwide solvency margin stands at 82.08 per eent, against 82.73 per cent on June 30 1985 and 70.83 per cent the year before. Similarly, their net asset value per share is 847p, compared with 851p and 615p.

See Lex

BOARD MEETINGS

The following compenlas have notified dates of board meelinge to the Stock Exchange. Such meetinge are usually held for the purpose of considering dividende. Official Indications are not evellable es to whether the dividends are interime or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

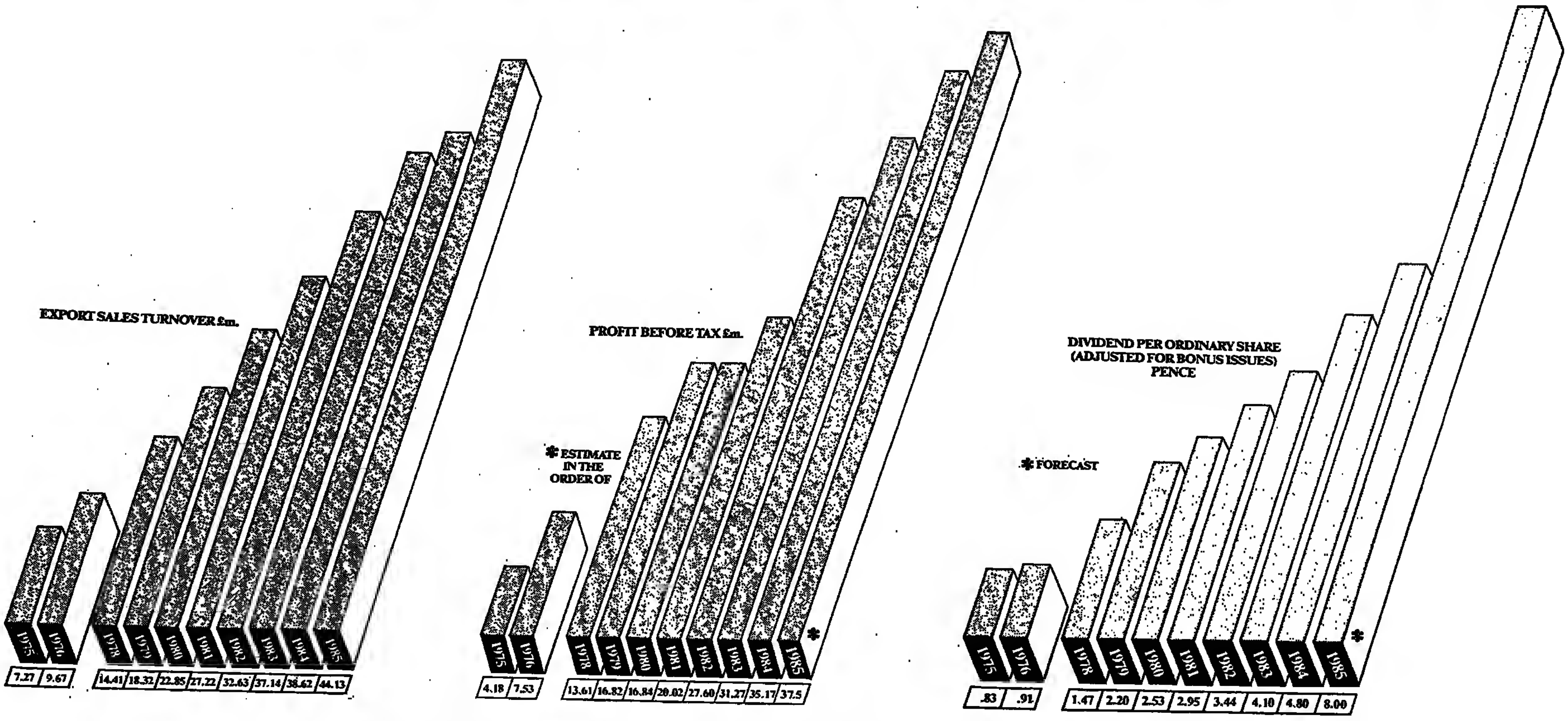
Interims:—BBA, Bairstow Eves, Chemical Methods Associates, Coreb, Good Relations, Jackson Exploration, Novo Industri, Ratcliffs (Great Bridge).

Finals:—AGB Research, Harrburger Brooks, Louie Newmark, J. Seville Gordon, Stone International.

FUTURE DATES

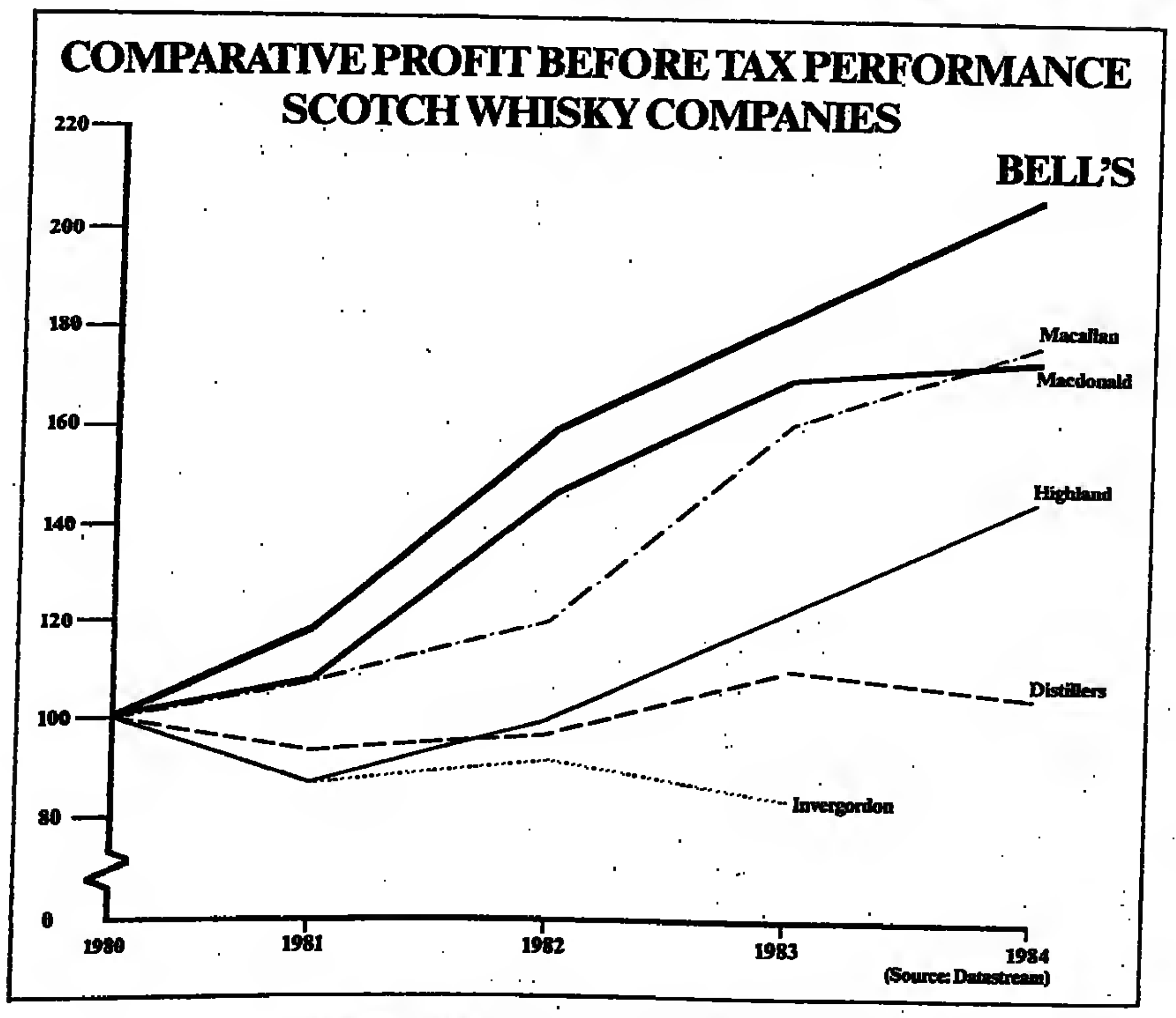
Interims:—	
Babcock International	Aug 28
Horizon Travel	Aug 22
Ladbroks	Aug 29
Lec Refrigeration	Aug 29
Macferlane (Clansman)	Sept 2
President Entertainments	Aug 27
Slough Estates	Aug 28
Standard Chartered	Aug 20
Stat-Plus	Aug 29
Trade Indemnity	Sept 10
Wedkin	Sept 5
Finals:—	
Beales (John)	Aug 22
Fletcher Challenge	Sept 10
Press Tools	Aug 22
Stewart & Wight	Sept 12

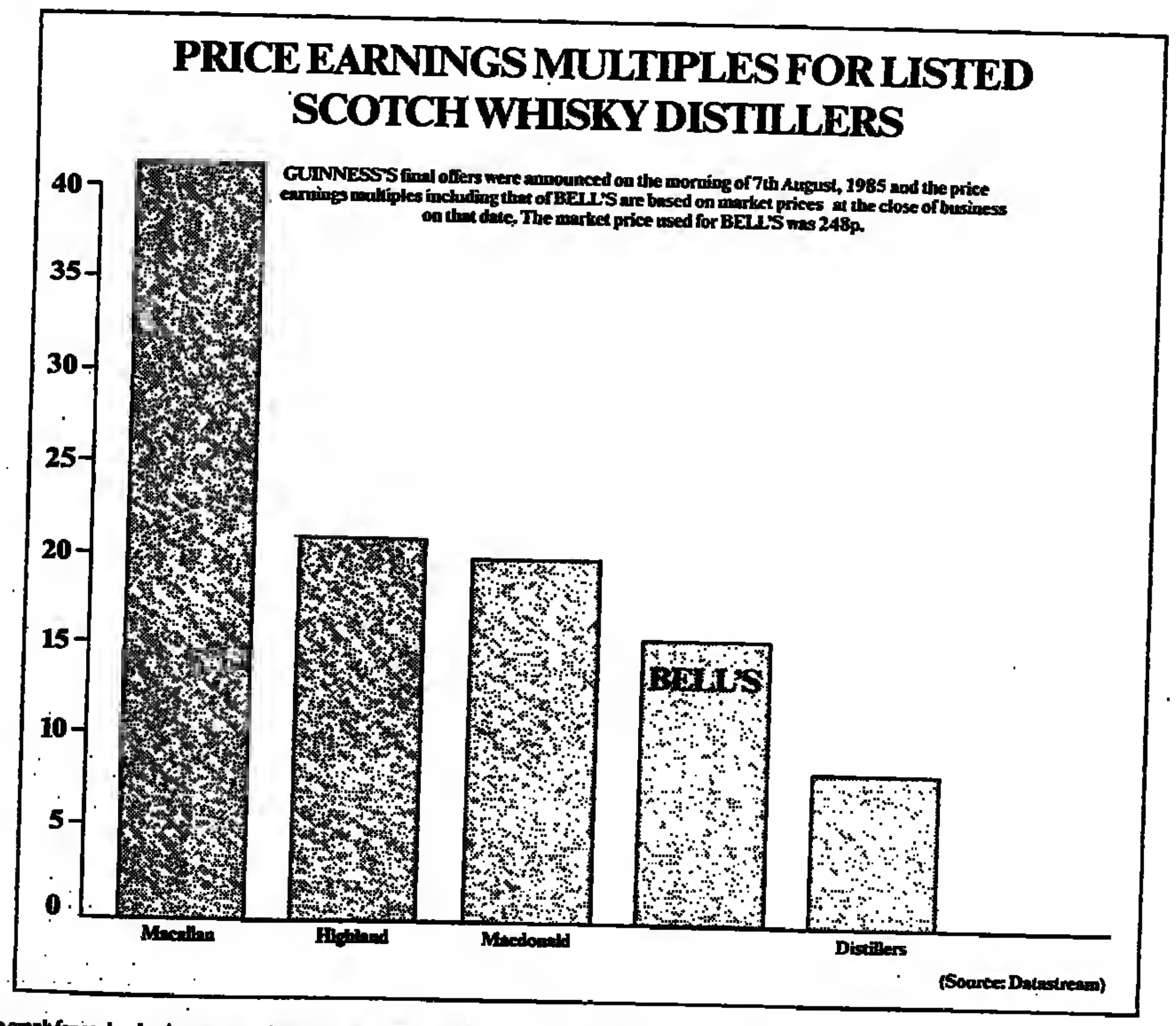
BELL'S GROWTH CONTINUES IN THE EIGHTIES



NOTE: Years 1975 and 1976 are the twelve month periods to 31st December. Years 1978 onwards are the twelve months period to 30th June.

DOES THE GUINNESS BID REPRESENT ADEQUATE VALUE FOR THIS SUCCESSFUL SCOTCH WHISKY COMPANY?





Figures used by Datastream are drawn from the published accounts of the relevant companies. Profit before tax used in the graph for each calendar year are taken as being those for the financial year ending in that calendar year restated on the basis that figures for 1980 are 100. Price earnings multiples have been calculated by Datastream using the weighted average number of shares in issue and the profit before tax in the latest published accounts and applying the full tax rate applicable to the relevant year. Information on Invergordon for 1984 is not available on the Datastream database and accordingly its price earnings multiple is not included in the above table.

WE BELIEVE THE ANSWER IS NO

REJECT THE GUINNESS BID.

This advertisement is published by Arthur Bell & Sons plc whose directors (other than Mr. P.R. Tyrie) have taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and each of the directors accepts responsibility accordingly.

General Accident

INTERIM RESULTS

The results for the six months ended 30th June 1985, estimated and nnaudited, are compared below with those for the similar period in 1984, which are restated at 31st December 1984 rates of exchange; also shown are the actual results for the full year 1984.

It must be emphasised that the results for the interim period do not usually provide a reliable indication of those for the full year.

	6 Months to 30.6.85 Estimate £ millions	6 Months to 30.6.84 Estimate £ millions	Year 1984 Actual £ millions
Premium Income—General Business	872.1	832.0	1,689.0
Long Term Business	115.3	78.4	189.9
	987.4	910.4	1,878.9
Investment Income	131.8	126.0	266.2
Underwriting Result—			
General Business	(135.7)	(130.5)	(268.3)
Long Term Insurance Profits	4.7	2.9	7.7
	0.8	(1.6)	5.6
Loan Interest	1.0	0.8	1.7
Profit (Loss) before Tax and Minority Interests	(0.2)	(2.4)	3.9
Taxation	(6.8)	(3.7)	(8.1)
Minority Interests and Preference Dividend	1.3	0.8	2.2
Net Profit (Loss) attributable to Shareholders	5.3	(0.2)	9.8
Earnings per Ordinary Share	3.1p	(0.1p)	5.9p
Principal exchange rates used in translating overseas results—			
U.S.A.	$1.31	$1.16	$1.16
Canada	$1.78	$1.53	$1.53

ANALYSIS BY TERRITORY OF GENERAL BUSINESS PREMIUM INCOME AND UNDERWRITING RESULT
(before internal reinsurance)

	6 months to 30.6.85 Premium Income £m	6 months to 30.6.85 Underwriting Result £m	6 months to 30.6.84 Premium Income £m	6 months to 30.6.84 Underwriting Result £m
UK	273.9	(43.3)	255.7	(32.9)
U.S.A.	371.8	(62.8)	368.1	(71.5)
EEC other than UK	49.8	(6.3)	49.8	(9.3)
Canada	78.7	(14.6)	79.4	(11.7)
Australia	16.3	(2.2)	20.0	(0.8)
Others including reinsurance	53.9	(5.3)	40.3	(2.9)
Marine and Aviation	27.7	(1.2)	18.7	(1.4)
	872.1	(135.7)	832.0	(130.5)

Net written premiums and investment income increased in sterling terms by 4.8% and 4.6% respectively. Adjusted to exclude the effects of currency fluctuations, the increases were 13.7% and 13.1% respectively.

In the second quarter there were underwriting losses of £53.8m (1984 £50.2m loss) of which £12.4m (1984 £1.8m loss) occurred in the United Kingdom and £27.3m (1984 £35.7m loss) in the United States. In the aggregate other territories produced underwriting losses of £14.1m (1984 £12.7m loss). The pre-tax profit for the quarter amounted to £18.2m (1984 £14.1m profit).

For the six months in the UK there was an underwriting loss of £43.3m (1984 £32.9m loss). Despite the usual seasonal improvement in the second quarter, losses in the important Motor account increased to £8.9m for the half year (1984 £2.1m profit). Experience in the Homeowners and Commercial Property accounts remained similar to 1984 with losses of £9.8m (1984 £9.7m loss) and £18.3m (1984 £17.4m loss) respectively.

For the six months net premiums written in the United States totalled $487m (1984 $427m) with an operating ratio of 116.97% as compared with 119.37% for the same period in 1984. On the United Kingdom accounting basis the underwriting loss was £62.8m (1984 £71.5m loss). With the Commercial accounts already benefiting from rate increases there has been some improvement in all major class results except Personal Property which shows further deterioration.

Elsewhere there were aggregate underwriting losses of £29.6m (1984 £26.1m loss). There was continued improvement in EEC territories. With further extreme weather losses and reserve strengthening Canada continues to be difficult. The Australian result shows some deterioration and has been influenced by renewed competitive pressures in that territory.

New annual premiums for life business in the United Kingdom in the first half of 1985 were £14.0m (1984 £16.6m), while single premiums increased from £24.7m in 1984 to £38.2m.

Dividend

The Directors have declared an interim dividend for the year ending 31st December 1985 of 8.0p per share (1984 8.0p) payable on or after 1st January 1986 to ordinary shareholders on the register of members on 30th November 1985.

General Accident Fire & Life Assurance Corporation plc.
World Headquarters: Pitheavlis, Perth, Scotland PH2 0NH.

UK COMPANY NEWS

Victor back in black for last quarter

WITH THE ending of the miners' strike Victor Products was able to return to profits in the last quarter of the year ended April 30 1985, and feels that prospects for the current year are encouraging.

The broadening of the group's activities, coupled with returning business from the NCB, gives the directors confidence that a reasonable profit will be achieved. Inevitably, borrowings increased substantially and will mean higher interest charges for some time to come, they point out.

The group, which is engaged in light engineering work primarily for the coal mining, oil and petrochemical industries, experienced a £1m swinground at the halfway mark to a loss of £549,000 as a result of the mining dispute. The third quarter saw loses reduced substantially and the fourth saw them eliminated.

This left a loss for the year of £670,000, compared with a profit of £1.11m, but the dividend is being held at 4.6p net per share with an unchanged final of 3p.

The major loss of NCB business during the year could not be offset adequately with business from other markets but a substantial advance was achieved overseas, and the diversion of major marketing and design effort from the UK coal industry is bringing rewards in other areas.

By broadening the field of activity, Victor will ensure that reliance on any single customer will be more limited than in the past.

The action taken to achieve the return to profitability was limited, firstly by the uncertainty about the end date of the miners' strike and, secondly, by a determination to have adequate capacity available to meet the demand when the miners returned.

Turnover for the year was marginally down at £15.84m (£16.79m). After tax £218,000 (£204,000) the net loss was up to £888,000 (profit £909,000) for a per share figure of 12.6p (10.9p). Last year there were £289,000 extraordinary charges arising from a combination of drilling and connector activities, involving redundancy and removal costs.

Yearlings

Yearling bonds totalling £7m at 11 per cent redeemable on August 20 1986, have been issued by the following local authorities. Ipswich Borough Council £1m: St Helens Metropolitan BC £0.5m: Derwentside District Council £0.5m: South Buckinghamshire DC £0.25m: Ynys Mon Isle of Anglesey BC £0.5m: Lincoln (City of) £0.25m: Lothian Regional Council £1.5m: Newport BC (£1m: Sheffield (City of) £1.5m.

Phicom's midway fall is 68%—holds interim

THE FALL in first-half profits at Phicom, the applied technology group, has been such that it will not now be possible for the year's profit to beat the 1984 record of £3.62m.

The chairman Mr A. K. Franks warned shareholders in May that profits would be lower, and he now reports the drop for the six months to end June 1985 to be nearly 68 per cent; from £1.78m to £575,000 pre-tax. Turnover showed a marginal decline to £21.15m (£21.45m).

He says the specific short term problems of the first half have largely been overcome and he is confident of a substantially improved performance in the current half, although order books during the second quarter were slightly less buoyant. The interim dividend is being held at 0.35p net.

"For the future, prospects remain good and we are continuing our policy of increasing investment in the development of new products and new export markets." The acquisition of a 20 per cent shareholding in Beechmark Technologies is already proving of value.

Work on the image analysis project is going ahead satisfactorily. Initial indications are that substantial Government assistance may be forthcoming, says the chairman. Meantime the cost of development work in the first half totalling £155,000 has been carried forward.

Trading profit in the data communications division was hacked down from £1.7m to £560,000, being caused by lower deliveries of Puma telex machines to British Telecom and by delays in obtaining final clearance for the security printers to be supplied to the Army.

The second half will show a marked improvement in profit, says Mr Franks, now that sales are once again running at a high level. Efforts to increase exports are continuing.

In the life sciences division there has been a significant improvement in profitability following the introduction of the Hypercenter Series 2, and trading profit rose from £134,000 to £372,000. Exports are providing the major increase in orders and better efficiency at Runcorn is helping to offset the effect on margins of the higher value of sterling.

The electronic enclosures division has run into a loss of £182,000 (profit £72,000) but should be back in the black in the second half. There were problems in introducing a computerised integrated manufacturing system at Imhof-Bedco Standard Products and orders from computer manufacturers were also lower. The French company had a poor half but should pick-up, while the Swedish operation has done "extremely well."

• comment

The accident prone Phicom has been caught out by the sharp fall in British Telecom's telex purchases and by the drop in demand for cases for main frame computers. The former, along with the security printer hiccup, chopped the data communications contribution to trading profits down to a third of the previous year's level. The latter produced red ink for electronic enclosures. Life sciences would have looked worse if the £155,000 development costs had been taken in the period incurred rather than carried forward. For the year, £250,000 is the estimated cost of the cervical smear testing machine being developed and the hope is that government grants will offset this—but watch this space BT is said to be buying more telexes now although the rate is not what it once was; and the army printers are in full production. For the year not much more than £2½m pre-tax can be expected from this 61 per cent Malaysian-owned company which has the shares trading on a prospective multiple of 11 at 83p (down 1p) and a 22 per cent tax charge. Optimists on next year's performance will think the shares are cheap.

Ryan Hotels returns to interim dividend list

WITH a 44 per cent cut in its pre-tax loss at the interim stage Ryan Hotels has declared its first interim payment for five years. And Mr Conor McCarthy, chairman, says the Dublin-based hotel and travel company is on target for a sharp increase in profits for the year.

In the six months to May 2, 1985, the usual pre-tax loss fell from I£687,000 to I£382,000 (£308,000) on turnover up by 24 per cent to I£4.28m (I£3.44m). An interim dividend of 0.5p has been declared. Last year there was a single payment of 0.65p from profits of £639,000.

Mr McCarthy says that the improvement reflected the increased buoyancy in demand and improved trading resulting from developments at the group's hotels.

Trading in third quarter of the year was excellent with turnover 27 per cent higher than for the same period of last year. Both the U.S. and home holiday markets showed significant increases.

The improvements include the opening of a new bar at the Gresham Hotel in Dublin which proved so popular that an extension had to be added. There was also a conversion and expansion of the public areas at the Limerick Ryan which, with the Galway Ryan, saw an improvement in the facilities and decor of the bedrooms.

With no tax charge the loss per 5p share came out at 1.12p compared with 2.56p for the comparable period. The dividend payment took I£180,000.

Fitch Lovell modifies Truran deal

Fitch Lovell has reached agreement with the vendors of Truran & Tarr Holdings to modify the arrangements, agreed in June 1984, for the deferred payment for the company. It will alow Fitch to integrate the company with its meat products division.

In return the vendors will be entitled to a fixed payment of £1.9m to be satisfied by cash or the issue of new unlisted variable rate unsecured loan stock 1986-2010. In addition the terms of the existing £460,000 unlisted variable rate unsecured loan stock 1987-2010 will be modified to become interest bearing immediately and be capable of redemption on October 20 this year and half yearly thereafter.

The arrangements are conditional on the vendors receiving certain Inland Revenue tax clearances and will be completed when such clearances are received.

It is intended that Truran be merged with Trent, which was acquired in April, and Robirch.

Yelverton back in the black

Yelverton Investments returned to the black in the half-year to April 30 1985 with a pre-tax profit of £16,984, as against a £106,190 loss last time. For the previous 12 months, this USM quoted investment company made a £143,000 loss.

The company has continued with its programme to reduce administration expenses and to liquidate, where possible, investments of a speculative nature with reinvestment in high-quality securities.

Yelverton's investment in Southend Stadium has been increased to 28.7 per cent of the voting shares, following a further purchase since the year end of 354,000 ordinary shares.

The board hopes that the company's investment in a North London property will be sold during the current year for an amount in excess of the book value at October 31 1984.

There is again no tax and earnings per 5p share are stated as 0.2p (1.32p losses).

COMPANY NEWS IN BRIEF

TILLEY INTERNATIONAL light engineer owned by Candlewood Holdings (Guernsey), improved turnover to £606,807 in half-year ended March 31 1985 (£569,198) and profit to £4,328 (£854) after depreciation £18,812 (£26,405), interest payable £6,294 (£13,296) and exceptional items nil (£2,880). Tax takes £1,350 (same) and preference dividend £3,150 (same).

BURTON GROUP'S offer for Collier Holdings has been accepted by holders of 5.94m of the A shares, representing 98.98 per cent and 5.15m of the B shares representing 100 per cent. Together they make up 99.45 per cent of the votes exercisable at an annual meeting. All the conditions to which the offers were subject have been satisfied or waived and they have become unconditional. The offer for the A shares will remain open until further notice.

LONDON & MIDLAND Industrials' chairman, Mr C. M. Beddow, said at the annual meeting that the company continued to be pleased with the performances of the engineering and fasteners divisions which in the first four months of the present year had an excellent order intake. Last year home improvements sales were boosted by the imposition of VAT on June 1; however, the company maintained its leadership and share of the market. The Schnitser acquisition in the U.S. had been delayed awaiting Government consent, but this was expected in the near future.

LONDON INTERSTATE BANK, the wholly-owned subsidiary of Sparekassen SDS of Denmark, reports £821,000 pre-tax profits for the first half of 1985, 21 per cent above the £677,000 figure last time. Total assets increased from £198m to £236m. Trade finance, UK commercial banking and foreign exchange services are the major growth areas. To further support this development and serve customers in the Midlands, an office has recently been established in Manchester.

REA BROTHERS first-half 1985 unaudited profits are somewhat lower than in the corresponding period last year, the directors of this banking concern report. The interim dividend is unchanged at 0.45p net.

PRESIDENT Entertainments has bought the business property and equipment of two London restaurants in Baker Street and Kensington High Street for £550,000, satisfied by the issue of 330,528 ordinary 50p shares with the balance in cash. Trading as Flanagan's, these were operated as franchises and in the 15 months to the end of March 1985 the vendors received £154,000 before expenses. President has taken over the running of one restaurant and intends to take over the other and to open a further establishment in the West End in the near future.

OCTOPUS PUBLISHING Group's proposed acquisition of the Heineman Group of Publishers is not to be referred to the Monopolies and Mergers Commission.

CONTRACTS

£40m jetty for loading liquid gas

A 50-50 joint venture between the **ROYAL NETHERLANDS HARBOURWORKS CO** and the **CLOUGH ENGINEERING GROUP** of Perth has been awarded a US$55m (£40.2m) contract to build a liquefied netural gas (LNG) loading jetty for the Australian North West Shelf export project, where Woodside Petroleum is the operator. Harbourworks is a wholly-owned unit at Hollandse Beton Groupe.

★

ERSKINE SYSTEMS has won an order valued at around £2m for the supply of secure power equipment to Hyundai Engineering and Construction Co, based in Seoul, Korea. Erskine will design and build the systems at its Scarborough factory and will later provide on-site supervision of installation, test and commissioning. Betteries for the equipment are both vented lead acid and nickel cadmium types, and will provide back-up during supply failure. A feature is the automatic off-line recharge of these dual station batteries. This will ensure full standby status will be achieved as quickly as possible following return of normal supply. The equipment is destined for e new Middle East power station project, finance for which hes been organised by Morgan Grenfell of London.

★

As part of its £750,000 expansion programme, Bond's Foundry Co has placed an order for a high efficiency electric induction melting plant with **INDUCTOTHERM EUROPE**, Droitwich. The order comprises two 3-tonne capacity Duraline tilting furnaces and one 1,750 kW 500 Hz VIP Power-Trak which replace a J0nker "Multiconductor" installetion. The VIP/Duraline installation will allow the manufacture of a large range of castings on a more economic basis.

★

SIMONS BUILDING MAINTENANCE, part of the Simons Construction Group, has won a £850,000 contract for refurbishment of two of the Coral Leisure bingo social clubs. The clubs are situated at Brighton and Carlisle. The buildings were previously cinemas, so the sloping floors have to be made level, seating renewed and new bars and counters provided. Features of the new decor are 18ft high x 15ft wide segmental mirrors and a new suspended ceiling. The contract period is eight weeks.

★

STONE INTERNATIONAL'S energy systems company Stone Boilers has been awarded e £1m contract by the British Gas Corporation for the supply and installation of high-pressure steam generators and superheaters to be installed at Westfield in Fife. The equipment will be built et Stone's Crawley factory. Stone Boilers bas also received an order from the Canadian Nevy valued at C$1m (£532,000) for its new patrol frigate programme.

BUSINESS LAW

Lawyers help Comecon integration

By A. H. HERMANN, Legal Correspondent

COMECON, tho Communist parallel of the EEC, seems to be set on creeting its own regional and aupranational business lew. This transpires from the academic argument* that the leck of a regional commercial code ia now seriously hampering the progress of economic integration of the Soviet bloc.

Lagging some 20 years behind the EEC in its use of law as an instrument of intergration, the Council for Mutual Economic Aid—as Comecon is styled—now foels tho need to harmonise certain areas of netional laws of mombor states, and ultimotoly to creato a common commercial code for interstate trado. An intermediate task would be the unification of rules governing conflicts of low related to internetional business.

Legal aspects of Comecon'a intornal trade could be largely ignored as long as lt was complotely dominotod by dirigism, when centrally planned objectives were pursued by maans of administrativo, hureaucratic moasures. Dolliveries of goods and provision of services by state-owned and controlled onterprises took place at tho behest of their political mastors. Though the dagree of dirigism differs from ono member state to another — the managements in Czechoslovakia, East Germany and Hungary enjoying a certain degreo of operational independonce—when lt came to any major dispute between enterprises of difforent countries, until recently these could be settled on the political level. Failing that, an umpire could always be found in Moscow—and *Moscow locuta, causn finita.*

Such political solutions can, of course, hardly be invoked for tho sottlemont of minor probloms. They muat, in any case, have become a heavy burden on on the political strata aa economic reletions gradually intonsified, assuming et the same time more complicated forms of multilateral co-operation, of joint research and development, and of joint ventures. The unwillingness to base joint agencies and companies on the law of one of the member states and the impossibility of baving them "float" in e legal vacuum combined to create a need for e "Comecon law" to sustain sucb institutions.

Another pressure towards legal, rather than political and diplomatic, regulation of Comecon business comes from attempts to give managements greater responsibility for economic efficiency. Instead of being held to plan fulfilment and budgetary limits only, managers are now encouraged to gear production to the requirements of their customers. Tholr bonuses and investment allocations are made dependent on a certain measure of cost-effectiveness. Snch considerations always mattered in East Germany, which never stopped comparing its industrial achievements with those of West Germany. They have become gradually more important in Hungary and, with the rejuvenation of its leadership, are now being advanced, at least in speeches and oxhortation, in tho Soviet Union.

Comecon does not lack quasi-judicial institutions for tho settling of commercial disputes. Each of tho momber states has woll-established arbltration courts, replecing tha former commerciel courts. These shonld be perfectly ablo to apply law to commercial disputes, if only they could always say which law is epplicable. Section 110 of Comocon'a General Conditions of Deliveries states merely that mattars for which tho parties did not provide by contract should be decided in accordance with tha law of the country of the seller. This, bowever, leaves open tho question of the law applicable to multiloteral deals, joint research ventures or joint companies.

Moreover, Section 110 refers to the general rules of civil law and not to tho special business law enacted for relotions between national enterprises in Czecboslovakie and in East Germany. There ia also nothing similar in Comecon to the 1968 (Brussels) Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters.

A further difficulty, not unknown in the EEC, is caused by tho unforeseeable nature of legal rules once they bave been transplanted from one legal system to another. Such difficulties, experienced in the EEC, for example, with the Bankruptcy Convention, are much more pronounced within Comecon, where the legal systems of Czecboslovakia, East Germany and Hungary are closer to the systems of Austria, West Germany and Switzerland than to those of Bulgaria, Romania and the Soviet Union.

Such differences are apparent not only in historically conditioned institutions and in the approacb to law but even in recently developed branches of law, such as motor insurance. In the Soviet Union this is a purely contractual orrangement and Soviet citizens may be indemnified for liability to third parties only in respect of accidonts which havo takon plece outside the Soviet Union. All the other Comecon countries have e regimo of statutory insurance where the State Insurance Institute is liable even if tho motor car ownor fails to pay insurance premiums. Tho definition of o "motor vehiclo" and of the event triggering liability differs widely from one Comecon country to another.†

The differences between the national legal systems give little hope thet adoption of rules governing the choice of applicahle law would provide more than temporary relief.

Comecon experts had always arguod that the organisation could adopt supranational rules only in respect of issues which the civil codes of the member states left to tha discretion of the contracting parties — and must not toucb any mandatory rules of such nationel codes. If this view is now rejected by academic lawyers, it indicates that the legal policy of the Soviet Union is undergoing a change. Though the new policy is no donbt dictated by integrationist and federalist aims, against the background of a more complex economic relationship, the legal techniques are likely to be infinenced by tho Czecboslovak Code of Foreign Trade, 1963 and the East German Law of International Commercial Contracts, 1976.

It is now recognised that botter collision rules are not enough: the objectivo seems to be to prevent collisions by adopting substantive rules govorning Comecon internal trade, joint ventures end, possibly, its collective relations to third countries.

Article 15 of the Comecon Complex Programme—its latest policy directive—is now interpreted as establishing the objective of lew unification going beyond the former limits of non-mandatory provisions of national civil codes. Instead, unification should be directed positively to those branches of business law where it can best serve the economic integration of the region. It seems thet Comecon could do well by asking the European Court of Luxembourg for help.

The Gonoral Conditions of Delivery and similar rules for assembly and construction work aro now seen as a half-way house, not going much further than standard contracts of individual companies in the West. The call is now for Recommendations which, very much like EEC Directives, would oblige member states to harmonise certain areas of their national laws. This legal barmonisation should he based on tho dnty of momhor States, embodied in Part 16, b, 7 of the Complox Programmo, to creato oconomic, organisational and legol conditions for its accomplishment.

Like the EEC Commission, Comecon interprets such general obligations very hroadly: the harmonlsetion ahould encompass not only civil and commercial law hut also public, administrative, financial and labour law, to namo but a few.

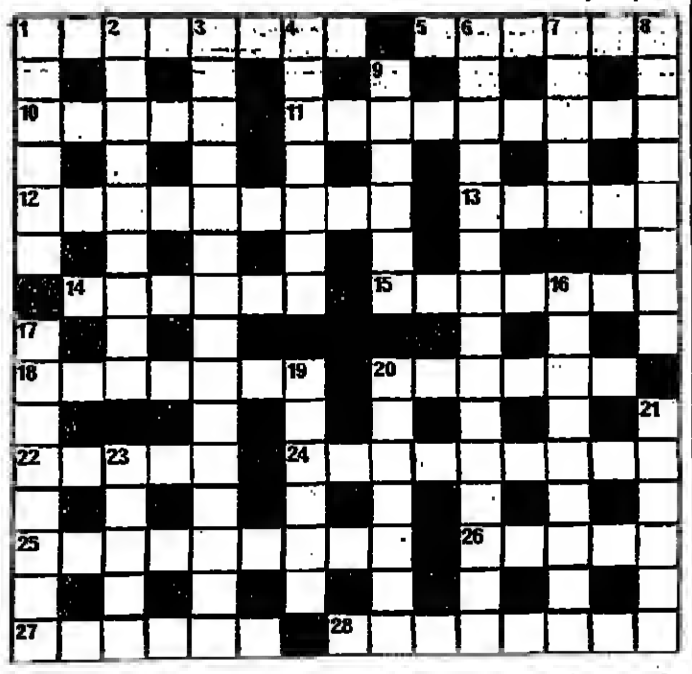
Boyond harmonisation looms tho objective of rules and codoa directly applicahlo, like the EEC Regulotions and some provisions of tho EEC Treaty, hut this is seen as a distant ohjective for which tho tima is not yet ripe.

But evon at this early stage it is made clear that a "socialist internationalised legal regulation" of business should be independent of the proposals for universal nnification formuloted by the United Nations Commission for International Trade Law (Uncitral). It is sad that tho Uncitral proposals, somotimes in the form of modol laws, do not provide adequately for principles of central planning and of socialist internationalism—another term for *Caesar supra gramaticos.* It is intoresting, however, to note that Comecon's member states take a very active part in the work of Uncitral and seem to favonr the edoption of its model laws — by others.

** See Pavel Kalensky, Methods of Legal Regulation of Civil Law Relations in Socialist Economic Integration and Prospects of their Development, 1985, Pravnik, pp 616-634 (Vol. CXXIV, 7th issue).*

† According to Immrich Fekete, Statutory Insurance of Motor Vehicles in CMEA-ibidem p 638.

F.T. CROSSWORD PUZZLE No. 5,796



ACROSS

1 Stepping stones to reason and method (3)
5 Great influence of one politician on aome legislation (6)
10 Row about the right judge, perhaps (5)
11 She cleans out for the steward (9)
12 Just think, out nf prison and no intention of going to court (5-4)
13 Breathtaking garments (5)
14 Trees entitled to respect (6)
15 Change course when the vessel'a caught in the swell (4, 3)
18 It may be obtained from the girl at the tobacconist's (7)
20 Composer from Harlem (6)
22 Class for actors, say (5)
24 Adopls a masterful attitude to maidens in distress (9)
25 Prepare the duvet for a makeshift bed (9)
26 Dirk upset about e point becomes annoyed (5)
27 Untidy arrangement that would borrify Mrs Grundy (6)
28 Times whon doctors need to swallow navy gin, perhaps (8)

DOWN

1 Intercept and remove (3, 3)
2 After the wedding go downhill, having three crossea to bear (5, 4)
3 Prompt payment may be what the archaeological expedition is looking for (5, 10)
4 Maintains a rising pressure (7)
6 Cause of wrongful arrest? (15)
7 He splits a coupla of poles made of wood (5)
8 Reprimands and allocates new dnties (5, 3)
9 Eat lightly, say (6)
16 Caught and bowled? (9)
17 Makes a timely entrance? (6, 2)
19 Tho rod becomes very beated (3-3)
20 It reminds men to give me top priority (7)
21 Remarks we're not supposed to bear as the team comes in (6)
23 Pulls up the grass (5)

Solution to Puzzle No. 5,795

APPOINTMENTS

New TSB City post

TSB ENGLAND & WALES has appointed Mr Bill Moonie as branch director of its new City of London branch, to be opened in the autumn. The branch will also bouse the bank'a new beod office. His eppointmont is the first of its kind for the bank. He joins from Bank of Scotland wbere ho was most recently senior manager of the City office. Before that be was chief oxecutivo, North American business, based in New York.

*

Following the acquisition of Selincourt, Lord Levor of Manchester has been appointed chairman of STORMGARD and Mr David Dunn becomes managing director. Mrs Jcnnifer D'Abo and Mr Robin D'Abo join tho board as directors with executivo responsibility and Mr John Murray is made a non-executivo director. Mr Jack Debnam has resigned as a non-executivo director, following tho restructuring of tha board.

*

HOGG ROBINSON GROUP has appointed Mr Barry S. Dean as joint managing director of Hogg Robinson (North America). He will be joint managing director with Mr Larry Hay until Mr Hay retires in November, when he will become the managing director. Mr Dean has been a Lloyd's hroker for 31 years. He has been a main board director of Wigham Poland, Lloyd's subsidiary of Fred S. James, and chairman and chief executivo of its North American company for tho past five years and previonsly spent 20 years working for Sedgwicks.

*

Mr F. W. J. Wollington has been appointed managing director of CHINA AGENTS.

*

Mr Stuart Vornon and Mr Michael Warner havo been appointed directors of PR PARTNERSHIP.

*

FRIZZELL D.E.P. has appointed Mr Christopher Peddy as an associote director. He has worked with Frizzell D.E.P., which specialises in eviation reinsurance, since its formation in 1983.

*

BUSHBOARD, member of the Mallinson-Denny Gronp, has appointed Mr Stuart Hodgkins as sales director of tha construction division.

*

ASSOCIATED STEEL DISTRIBUTORS has appointed Mr Roy Butcher as finance director. He succeeds Mr Edward Johnson who has resigned for personal reasons. Mr Michael Spittle has also resigned from the board, but will remain e consultant to ASD and develop other consultancy interests.

*

Mr E. F. Potter, finance director of Cable and Wireless, has been eppointed to the ACCOUNTING STANDARDS COMMITTEE, the body which defines best eccounting practice in the UK. Mr Potter, who was nominated by Tha Institute of Cost and Managemeot Accountants and elected unanimously, will join the committee on September 1 for three years.

Mr Ralpb Langshaw has been appointed director of operations, Bedford Commercial Vehicles Division of GENERAL MOTORS OVERSEAS COMMERCIAL VEHICLE CORPORATION. Ho was previously plant manager, Dunstable Trucks. Mr David Wallis, director of matorials managomont, is appointed director of business planning.

*

Mr Walter Hudson has been appointed manoging director of WELWYN RESISTORS, part of Crystalate Electronics. Welwyn Resistors is e grouping of threo divisions: Wolwyn Wirewound Resistors, Wolwyn Film Resistors and Wolwyn Special Products. Mr Hndson was o director and general manager of Wolwyn Special Products.

*

Mr William Sandford, a partner in F. F. Leach & Co., has been appointed a director of LAMBETH BUILDING SOCIETY.

*

VALLANCES, Leeds, has appointed Mr Peter Jones as retail operations director and Mr Peter Whitehead is promoted from huying director to markoting director.

*

Professor David Tweedie has been appointed a member of the Consultative Committoe of Accounting Bodies auditing practices committee in place of Mr J. M. Burnett who retires by rotation. Professor Tweedie, who is national research partner at KMG Thomson McLintock, is also the UK and Irish member of the international anditing practices committee. He is currently in Now Zealand to deliver an invitation lecture marking tho 75th Anniversary of the New Zealand Society of Accountants.

*

Mr Geoffrey Goodwill and Mr Roh Stansfield have been appointed directors of MOUNTLEIGH GROUP, property investment and development.

*

Mr A. C. Weal has been oppointed o director of LONDON INSURANCE BROKERS, a member of Bowring group.

*

Mr Andrew Robinson has been appointed managing director of FORMWOOD, manufacturer of open cell ceilings. He joins from Crossley Builders Merchants, with whom he was a director.

*

Mr John Weedon has jolned the board of RIVER THAMES INSURANCE COMPANY (a member of the Sedgwick Group) and has been appointed treaty underwriter.

*

Lowndes Lambert Group's new reinsurance company, Kininmonth Lambert is forming a subsidiary, KININMONTH LAMBERT MARINE XL to develop e specialist occount. Mr Malcolm Berry is jolning tho group from Jardine, and becomes a director of Kininmonth Lambert, and managing director of the new XL subsidiary. Mr James Spencer Gray, formerly with Alwen Hough and Johnson, has become o director of Kininmonth Lambert Marina XL.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Pearl Trust Managers Ltd.

TSB Unit Trusts

Perpetual Unit Trust Mngmt.

Prolific Unit Trusts

Providence Capital Fd. Mgrs. Ltd.

Prudential Unit Trust Mngrs Ltd.

Quilter Management Co. Ltd.

Reed Stenhouse Inv Services Ltd

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

N.M. Rothschild Asset Management

Rowan Unit Trust Mngt.

Royal Life Fd. Mgmt. Ltd.

Royal London Unit Tst Mgrs Ltd

Royal Trust Can. Fd. Mgt. Ltd.

SKG Management Limited

Save & Prosper Group

Schroder Unit Trust Managers Ltd.

Scottish Equitable Fund Mgrs. Ltd.

Scottish Life Investments

Scottish Mutual Investment Managers Ltd.

Scottish Provident Inv. Mgt. Ltd.

Scottish Unit Managers

Scottish Widows' Fund Management

Standard Life Trust Mngmt. Ltd.

Stewart Ivory Unit Trust Mgrs Ltd.

Sun Alliance Fund Management Ltd.

Sun Life Trust Mngt. Ltd.

Swiss Life Pen. Tst. Man. Co. Ltd.

S & Target Fund Mgrs Ltd

Target Trust Mngrs. Ltd.

Temple Bar Unit Trust Mgrs Ltd

Touche, Remnant Unit Trust Mngt. Ltd.

Trades Union Unit Trust Managers

Transatlantic and Gen. Secs.

Tyndall Managers Ltd.

Unit Trust Account & Mgmt. Ltd.

Vanguard Trust Managers Ltd.

Wardley Unit Trust Managers Ltd

Waverley Asset Management Ltd

Westaven Unit Trust Managers Ltd.

Whittingdale Unit Trust Managers

Wright Seligman Fund Managers Ltd.

INSURANCES

AA Friendly Society

Abbey Life Assurance Co. Ltd.

Aetna Life Insurance Co. Ltd.

Albany Life Assurance Co. Ltd.

Allied Dunbar Assurance PLC

Ambassador Life Ass. Co. Ltd.

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

British National Life Assurance Co. Ltd.

Canada Life Group

Cannon Assurance Ltd.

Chieftain Assurance Funds

City of Edinburgh Life Assurance

City of Westminster Assurance

Clerical Medical/Fidelity International

Clerical Medical Managed Funds Ltd.

Colonial Mutual Group

Commercial Union Group

Confederation Life Insurance Co.

Continental Life Insurance PLC

Cornhill Insurance PLC

Credit & Commerce Life Ass. Ltd.

Criterion Assurance Group

Crown Financial Management Ltd.

Crusader Insurance PLC

Dominion Financial Management

Eagle Star Insur./Midland Assur.

Equitable Life Assurance Society

Equity & Law

Family Assurance Society

Federation Mutual Insurance Ltd.

Framlington Life Assurance Ltd.

Friends' Provident Life Office

G.T. Management Ltd.

General Accident Linked Life Assurance

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. PLC

Gresham Unit Assurance Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Imperial Life (UK) Ltd.

Irish Life Assurance Co. PLC.

The LAS Group

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General (U.A.)—Contd.

Legal & General Prop. Fd. Mgrs. Ltd.

Liberty Life Assurance Co Ltd

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London A'deen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd

London Life

London & Manchester Group

M & G Group

MGM Assurance

Manufacturers Life Insurance Co (UK)

Merchant Investors Assurance

Municipal Life Assurance Ltd

NEL Pensions Ltd.

National Mutual Life

National Mutual of Australasia

National Provident Institution

New Zealand Insurance PLC

Norwich Union Insurance Group

PBR Fund Management Ltd.

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Pioneer Mutual Insurance Co. Ltd.

Premium Life Assurance Co. Ltd.

Property Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capital Life Assc. Co. Ltd.

Provident Life Assoc of London Ltd

Provident Mutual Life Assc. Assn.

Provincial Life Assurance Co. Ltd.

Prudential Assurance Co.

Prudential Pensions Limited

Reliance Mutual

Royal Life Insurance Ltd.

Save & Prosper Group

Schroder Life Assurance Ltd.

Scottish Amicable Investments

Scottish Equitable Life Assce. Soc.

INSURANCE, OVERSEAS & MONEY FUNDS

Arbuthnot Securities (C.I.) Ltd. (a)(c)(b)
P.O. Box 428, St. Helier, Jersey. 0534 76077

Dollar Income 1 (a) (z)	$1.037	1.087	+0.001	11.04
Gov't Secs. Tst.	75.5	79.3	−0.1	12.64
Yen Bond*	Y198	208	+1	5.77
Sterling Fd	183.5	183.4		—
Japan Growth*	205.0	220.4	−4.2	0.45

Next dealing *Aug 22. †Aug. 21.

Aries Fund Managers Ltd.
PO Box 443, St Helier, Jersey. 0534 75141

NA Fd	£9.83	10.48		—
Dollar Fund	$10.26	10.93		6.95
Sterling Fxd Interest	£9.70	10.21		9.29

B.I.A. Bond Investments AG
10, Baarerstrasse CH6301, Zug, Switzerland

Barer Sfe July 30	SF10,925	11.500		—

Julius Baer Bank & Trust Co Ltd
Butterfield House, Grand Cayman

Liquibaer J. Baer SFd.	$1.333	1.334		—

Bamford Brandt Guernsey Mngt. Ltd.
PO Box 71, St Peter Port, Guernsey 0481 26541

Tech and Comm.	$7.36	7.79		—
Pac. Basin Fund	$30.41	32.71		—

Bank of America International S.A.
35 Boulevard Royal, Luxembourg GD

Wordinvest Inc	$120.30	120.90	+0.45	8.16

Valued weekly on Wednesdays

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Unigilt 7 r...	43.3	45.1		11.40
Unidollar Trust	$16.09	17.06		1.3
Unibond Trust	$87.35	88.07		10.30
£Stg Multicurncy. Fd.	£10.96			11.80
US$ Multicrncy. Fd.	$21.31			7.00
DM Multicrncy. Fd.	DM41.46			3.90
Yen Multicrncy. Fd.	Y3136.00			5.2

2, Thomas St, Douglas, Isle of Man 0624 23...

EBC Trust Company (Jersey) Ltd.
1-3 Seale St, St Helier, Jersey. 0534-36331

International Income Fund

US$ Day Short A	$1.4908		+0.0001	9.66
Do Dis.	$0.9960		+0.0001	9.66
Man Cur Stl term B	$1.2111		−0.0057	0.00
Do Dist	$0.9017		−0.0038	0.00
Eurobd Long Term	$23.76			10.90

European Banking Traded Currency Fund*

Income	$10.32	10.639	−0.083	8.26
Capital	$11.39	11.745	−0.092	5.26

*Offer price includes 3% prelim. charge

European Banking Currency Income Fund*

Income	$10.12	10.6365	+0.0106	11.95
Yield				—

*Offer price includes 5% prelim. charge.

The English Association
1b Athol St, Douglas, Isle of Man 0624 20738

E.A. Far East	$10.00	11.43		—

First dealing Aug 9.

Ermitage Management Ltd.
19 Royal Square, St Helier, Jersey, CI. 0534 76007

External Fund	$19.36	19.76		—
Bond & Cash Fd	£10.10	10.15		5.82
Cash Fund	£20.57			—

Ermitage Management Cayman Ltd.
PO Box 2192, Grand Cayman, B.W.I.

Sam Ermitage	$15.17			—
Cayman Cash Fd	$10.76			—

Eurolife Assurance Group
5-11 Mortimer St., London W1N 7RH. 01-631 0778

Sterling Eurobond Fd	106.6			—
High Eurobond Fd	106.2			—

S.G. Europe Obligations S.A.
9, Avenue de la Liberte, Luxembourg
London Agent: FFS, Salisbury House, London Wall EC2M 5TA. Tel. 01-920 0776 Telex 887281

OFFSHORE AND OVERSEAS

Money Market Trust Funds

Money Market Bank Accounts

NOTES

OPTIONS

3-month call rates

COMMODITIES AND AGRICULTURE

U.S. oil stocks decline continues

By Nancy Dunne in Washington

U.S. PETROLEUM stocks continued to fall last week with the exception of distillate fuel oil, which climbed slightly to 117.3m barrels, according to the American Petroleum Institute (API).

However, distillate stocks still lagged more than 11.4m barrels behind last year at this time.

Petrol stocks were estimated at 226.7m barrels, a fall off of 2.6m barrels over the week and a drop of 6.6m barrels from last year at this time.

The API reported 323.7m barrels of crude oil on hand, a drop of 1m barrels from the previous week and 28m down from 1984. Stocks of residual fuel oil declined to 40.6m barrels, more than 10m barrels below last year.

Poor weather hits EEC crops

BY DAVID MARSH IN PARIS AND OUR COMMODITIES STAFF

THE EUROPEAN Community's grain harvest could be substantially reduced this year from the record set in 1984, following serious disruption by rain in key cereals growing areas of Britain, France and West Germany.

Initial indications in France are that the soft wheat barvest could drop to around 29m tonnes from last year's record 32.6m, when the country produced a total of 60m tonnes of grain.

Experts point out that this year's crop is still likely to be one of the best on record, but are showing signs of worry over the effect of widespread rain on cereal quality.

In the important northern German grain-growing state of Lower Saxony, meanwhile, the local farmers' association said beavy rainfall in recent weeks bad delayed the harvest by up to three weeks.

The federal agriculture ministry said yesterday, however, that this was a regional problem, and that it was sticking to its previons estimate for this year's total crop of 24m tonnes, compared with last year's record 26.5m. This would still exceed the average harvest between 1978 and 1984.

In Britain, farmers continued yesterday to struggle with their wettest harvest in 10 years, with crops laid flat by wind and rain, sprouting and rotting. In soma areas the barvest has been delayed by more than three weeks, and the authorities are revising their production forecasts sbarply downwards.

Last year, the British crop totalled 26.4m tonnes.

The UK crop of oilseed rape is also experiencing serious difficulties. The trade is now predicting o crop of 800,000 to 850,000 tonnes, against previous estimates of 900,000 tonnes.

Jamaican bauxite plant to close

By Canute James in Kingston

JAMAICA'S LARGEST b auxite refinery, Alumina Partners of Jemaica, is to be closed today sccording to its owners, Kaiser Aluminium and Chemical and Reynolds Metals.

The sbutdown of the 1.2m tonnes a year plant comes 11 days after both companies bought out the 27 per cent stake in the ventura beld by Atlantic Richfield.

Mr Ed Coyne, general manager of Alumina Partners, said there was a glut of alumina on the world market and that prices hod fallen from $125 a tonne 5 year ago to $80. The refinery has been producing at bslf its capacity for the past 18 months.

Representatives of the firm said six months ago that the plant was producing alumina at $140 per tonne.

The plant is being closed temporarily, occording to a otatement from the company. However, no date for a resumption has been announced.

The shutdown comes a year after the refinery's owners spent $100m on new facilities to open mines with a bigh grade of bauxita ore.

This is the third closure of a bauxite facility in Jamaica in the past 13 months. Reynolds Metals last year ended mining and shipping operations on the Island's north coast. The Aluminium Company of America (Alcoa) closed its 800,000 tonne refinery in central Jamaica in February. The refinery was recently reopened after the Government leased the plant from Alcoa.

The sbutdown of the Alumina Partners refinery will leave 1,200 workers without jobs, and will be a body blow to the weak Jamaican economy which depends on the bauxite industry for 60 per cent of its foreign earnings.

Jamaica has been the world's third largest banxite producer after Australia and Guinea. Output last year of 8.7m tonnes was expected to fall by just over 2m tonnes this year.

Mr Hugh Hart, Jamaica's Mining Minister, said the Government bad been trying to avoid the Alumina Partners refinery closure for the past six months.

Platinum rise cuts gold premium

BY ANDREW GOWERS

BUYING SPARKED by concern over events in South Africa has brought the free market price of platinum to its highest level in four months a nd significantly narrow the differential between it and the gold price.

Yesterday in London, platinum was steady at $292.375 an ounce, while gold was quoted at $326.15. This compared with quotations late last week of $278.75 and $322.75 respectively, and marks a narrowing of gold's recent premium over platinum from more than $50 to $34 in little more than a month.

Other platinum group metals have also benefitted from the rise to varying extents, with the base price of rhodium as qnoted by Johnson Matthey rising to $830 an ounce yesterday, for example.

The latest rise in platinum was bolstered by a burst of speculative buying and short-covering on the futures market in New York on Tuesday night.

This took the October contract up to the psychologically-important level of $300 an ounce,bef ore It fell back to close at $297.40.

Some participants in the market are reported to be buying platinum and simultaneously selling gold, and there is even talk of scattered buying by industrial users as an insurance policy.

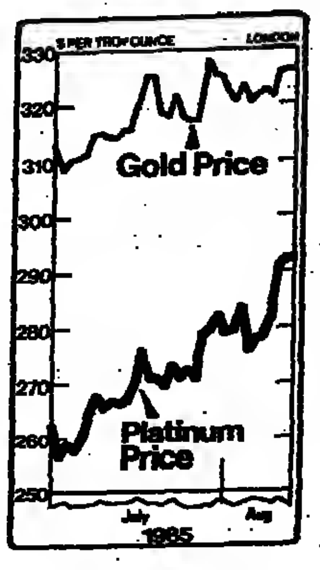
Dealers said that although gold itself has firmed a few dollars in recent days, there were probably three reasons why platinum has risen more in response to South Africa's political problems.

First, it is traded in a narrow and more volatile market than gold. "Platinum has always moved in the same direction as gold, but faster," said one dealer.

Secondly, a greater and probably growing proportion of the metal is put to industrial use, and stocks beld by investors are considerably smaller. This means that concern over a possible cut-off in supplies is likely to weigh more heavily on platinum than gold.

Thirdly, South Africa is considerably more important to the platinum market than to the gold market. Production from tha country's three main plotinum companies, Rostenburg, Impala and Western Platinum, is reckoned to satisfy more than 80 per cent of Western world demand, most of it through long-term direct sales contracts, and the Soviet Union makes up most of the rest.

Dealers point out, however, that the platinum market continues for the moment to be broadly dominated by similar investment criteria to those which drive the gold market



Stocks fall may boost steam coal prices

BY GERARD McCLOSKEY

A RARE flutter of optimism is passing through the European steam coal trade. Despite a recent dip in spot prices and despite the onset of a summer lethargy whicb has seen traded volumes dry to a trickle, some traders are predicting a rise in prices in the last third of the year. At first sight such a belief seems unfounded. Substantial volumes reaching Europe from Colombia, South Africa, Australia and the U.S. would appear more than a match for Europe's steadily-rising demand.

The key to a belief in rosier prospects lies in the dwindling stockpiles of Australian coal bound for the export market. By the end of May stocks had shrunk to little more than one month's supply with 3.5m tonnes awaiting shipments compared with 4.9m tonnes a year previously.

The drying up of these stocks is seen as a long-delayed result of low coal prices in the last two years—deferred investment and o slowing down of mining operations are now making themselves felt.

With Polish and UK exports already severely trimmed and with South Africa being widely quoted as sold out for the year the only free flow of steam coal has been coming from the U.S. Bnt there too the ease of supply is looked upon as a temporary phenomenon stemming from high stocks at the power stations built np a year ago in the expectation of a United Mine Workers' strike—which never materialised.

When these stocks fall to normal levels, the trading bulls believe steam coal supplies will be tight and prices the world over will rise strongly.

INTERNATIONAL COAL REPORT SPOT STEAM COAL MARKER PRICE

July/Aug. 1985	$40.5-41
June, 1985	$41-42
July/Aug. 1985	$45

(South African 10,600 Btu/lb 0.8% sulphur, fob barge, Rotterdam)

Certainly recent events in South Africa, where unrest in the townships bas been accompanied by o very real threat of a strike in the coal and gold mines, may also affect prices in the sbort term. Purchasers anxious to see contracted deliveries secured may be tempted to order tha coal ahead of schedule to bave consignments safely on power station stockpiles rather than threatened with disruption. Some expect South African purchases to move away from term contracts towards spot deliveries.

But whatever lies in wait for the coal market in the autumn, low summer demand has eased the marker price for South African coal back by over 50 cents a tonne to $40.50-41.00 a tonne. The stream of low-priced Australian deliveries so far this year has been joined by a steady flow of equally cheap offers from the U.S. Many of these bargain deliveries have been aided by exceptionally low ocean freight rates which, in turn, bave come about through a cut in bunker fuel prices from $180 a tonne early this year to $140 a tonne in recent weeks. One recent contract between the Danish utility Elkraft for 130,000 tonnes of U.S. coal was delivered for $41-42 a tonne which included a $3.25 a tonne freight rate. Only o few months ago the trans-Atlantic freight charge would bava been in excess of $5 a tonne—a level than considered to be rock bottom.

Meanwhile in Japan the Electric Power Development Corporation bas settled with a group of Australian steam coal suppliers each of whose contracts was, unusually, set in Australian dollars. Because of the drop in the Australian dollar against its U.S. counterpart, the Japanese ware persuaded to grant a 12 per cent price rise taking prices to A$48 (US$32) a tonne fob. This settlement, combined with o series of agreements between Gencor, the South African miner, and its customers effectively wrap up the 1985-86 financial year contracts for Japan.

Elsewbere in the Far East the decline in South Korean anthracite production appears to be occelerating although the country has lost none of its appetite for the low-ash fuel and a substantial rise in imports to 2.3m tonnes is expected during this year—400,000 tonnes more than the energy ministry originally predicted.

To provide an easy flow of supplies for a fuel which is becoming increasingly rare on world markets, the ministry is allowing, for the first time, Korean importers to explore and mine overseas and to establish long-term supply contracts.

Gerard McCloskey is Editor of the FT International Coal Report.

Refco announces reorganisation following rapid expansion

BY CHRIS CAMERON-JONES

REFCO, the previously publicity-shy Chicago-based futures brokerage firm, yesterday announced a major re-organisation following a year of rapid expansion which it claims has made it the world's largest in terms of business handled. At the same time Mr Tone Grant, its president, revealed the extent of the cost-cutting at its latest ocquisition, DLJ Futures Group, bought from Donaldson, Lufkin and Jenrette, the New York investment banking and securities firm, in July.

Out of the original DLJ Futures staff of 500 mainly in Chicago, London and New York, only some 25 remain — the top management etayed with the former parent.

A similar shake-out occurred wben Refco, recognised in the industry for its aggressiveness, ocquired the troubled Conti-Commodities, one of its leading rivals, in September last year.

Mr Grant, wbo was yesterday on a visit to London, said: "We only do deals where we can maka money from day one." He said that unfortunately this meant shedding even some very good people to bring a unit into line with Refco's overall philosophy of encouraging entrepreneurial activity under tight control from the top but without the costly bureoucracy found in most organisations.

Under the new structure that tight control has crystalised into a three-man team ot the top: Mr Thomas Dittmer, 43, the trader wbo started it all in the early 1970s, as cbairman; Mr Tone Grant, 41, a lawyer by training, as president; and UK born Cambridge graduate, Mr Phillip Bennett, 38, wbo like Mr Grant joined Refco three years sgo, and was formerly with Chase Manhattan, as chief financial officer.

With a minimum of hierarchical structure, this trio sims to sustain the group's flexibility and 'gut feel" response to situations which it believes have brought its bigh level of profitability over the past two years amid generally falling commodity prices.

These three will steer Refco Group, o new company formed to consolidate Refco client service units, with assets of $1bn and capital in excess of $100m. The new grouping will be led by Refco Inc, as the world's largest registered futures commissions merchant. The other units are Refco Capital Corporation, specialising in financing for Refco company and clients; Refco Securities, designing bedging programmes; Refco Foreign Exchange Associates, offering a round-the-clock forex service, Refco Metals Corporation, a 24-honr gold bullion trading operation and Refco Fund Holdings, a managed funds group.

LONDON MARKETS

COFFEE PRICES maved np strongly on tha London futures market yesterday with the Navember position gaining £39 to £1,714.50 a tonne. The advance partly reflected easier sterling against the dollar but it was also influenced by reports of fresh unrest in Uganda, a steadier New York market and rising internal prices in Brazil.

On the London Metal Exchange copper values regained most of Tuesday's losses but dealers said this reflected currency considerations and the market still lacked fundamental strength. Cash higher grade copper ended the day £10.75 up at £1,020.75 a tonne and the cash discount against the three months quotation widened slightly to £24.50 a tonne.

MAIN PRICE CHANGES

In tonnes unless otherwise stated.

METALS	Aug 14 1985	+ or —	Month ago
Aluminium	£1100	......	£1100
Free Mkt	$1050/70	—9	$1070/100
Copper			
Cash h Grade	£1020.75	+10.75	£1047.75
3 mths	£1045.75	+11	£1052.75
Gold Troy oz	$326.25	+0.25	$328.75
Lead Cash	£306	—3.5	£285
3 mths	£298.0	—3	£200.75
Nickel			
Free Mkt	224/224c	—1.5	227/257c
Palladium oz	$103.25	+1.35	$95.75
Platinum oz	$292.65	+0.4	$276.10
Quicksilvert	$290/300	......	$285/295
Silver troy oz	452.50p	—0.35	440.55p
3 months	464.50p	—0.45	453.20p
Tin cash	£9152	+8.5	£9056
3 months	£9116.5	+11	£9055.e
Tungsten	$71.85	......	$67.49
Wolfram 22.0lb	$66/70	......	$58/68
Zinc	£534.5	+3.5	£527.5
3 months	£537.5	+7	£518.5
Producers	$830	......	$850

OILS	Aug. 14 1985	+ or —	Month ago
Coconut (Phil)	$477.5x	......	$520
Palm Malayan	$416y	......	$800
SEEDS			
Copra Phil	$325x	......	$335
Soyabean (U.S.)	£216w	......	$231.75
GRAINS			
Barley Fut. Nov.	£101.60	—0.15	£100.80
Maize	£133.40	—0.9	£141.05
Wheat Fut. Nov.	£101.30	—0.30	£101.40
No. 3 Hard Wint.	‡	......	‡
OTHERS			
Cocoa Ft. Dec.	£1717.5	+8	£1677
Coffee Ft. Nov.	£1714.0	+39	£1631
Cotton A Index	56.80c	—0.15	61.00c
Gas Oil Oct.	$229.75	+0.5	$219.75
Rubber (kilo)	63p	+0.5	65p
Sugar (raw)	$122.5x	—2.5	$89
Wooltops 64s	435p kilo	......	440pkl

‡ Unquoted. x Aug-Sept. w Sept. † Per 76 lb flask. c Cents per pound.

INDICES

FINANCIAL TIMES

Aug. 13	Aug. 12	M'th ago	Year ago
258.85	263.39	267.46	294.46

(Base: July 1 1952 = 100)

REUTERS

Aug. 14	Aug. 13	M'th ago	Year ago
1699.8	1699.8	1998.0	1859.5

(Base: September 18 1931 = 100)

DOW JONES

Dow Jones	Aug. 13	Aug. 12	Month ago	Year ago
Spot	114.49	114.74	—	130.84
Fut.	114.52	114.97	—	138.56

(Base: December 31 1974 = 100)

ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	738.5-9.5	+0.0	735.5/735.5
3 months	760.0-1	+8.5	768/756

Official closing (am): Cash 735.5-6 (727.5-8), three months 757.5-8 (749.5-50), settlement 736 (728). Final Kerb close: 761-2. Turnover: 10,450 tonnes.

COPPER

[illegible]

LEAD

[illegible]

NICKEL

[illegible]

ZINC

[illegible]

TIN

High grade	Unofficial close (p.m.) £ per tonne	+ or —	High/low for day
Cash	9161-3	+8.5	—
3 months	9118-9	+5.0	—

Official closing (am): Cash 9,191-3 (9,144-5), three months 9,120-5 (91,110-5), settlement 9,153 (9,145).

Standard			
Cash	9151-3	+0.5	9152/9150
3 months	9116-7	+11.0	9120/9115

[illegible]

LME prices supplied by Amalgamated Metal Trading

GOLD

[illegible]

SILVER

[illegible]

GRAINS

Wheat eased, particularly in forewards os merchant selling in very quiet trading conditions. Barley found light shipper buying support at the lower levels, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
Sept.	98 55	—0.40	97.85	—0.30
Nov.	101.30	—0.30	101.60	—0.15
Jan	105.00	—0.35	105 20	—0.35
Mar.	106 85	—0.55	108.15	—0.30
May	111.85	+0.80	111.10	—0.25
July	114.65	+0.45	—	—

Business done — Wheat: Sept 98 60-98.35, Nov 101.60-101.30, Jan 105.45-105.00, March 108.80-108.35, May 112.45-111.85, July untraded. Sales: 146 lots of 100 tonnes. Barley: Sept 97 90-97.80, Nov 101.60-101.60, Jan 105.35-105.20, March 108.25 only, May untraded. Sales: 40 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 15 per cent Sept 118.75, Oct 120.50, Nov 122.50, Dec 124.25 sellers transhipment East Coast. U.S. No. 2 Soft Red Winter Sept 106 85, Oct 108.50, Nov 111.25, Dec 112.25 sellers. EC Spot 118.50. [illegible]

COCOA

[illegible]

COFFEE

After opening steadier on sterling weakness values drifted back below the previous close on persistent trade selling, reports Drexel Burnham Lambert. Commission house buying encouraged a gradual recovery.

COFFEE	Yesterdy's Close	+ or —	Business Done
Sept.	1578-0	+4.00	1580-39
Nov.	1714 19	+39.0	1717-75
Jan	1746 48	+31.0	1750-12
March	1775 50	+26.5	1780 45
May	1795-05	+55.0	1808.72
July	1821-29	+32.5	1810.00
Sept.	1825 65	+52.3	—

Sales: 3,498 (3,510) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for August 13: Comp. daily 1979 119.38 (118.82); 15-day average 117.85 (117.37).

SUGAR

LONDON DAILY PRICE—Raw sugar $122.50 (£88.50), down $2.50 (down £1.00) a tonne for August-September delivery. White sugar $160.50, down $2.00.

Prices drifted during the morning as scattered selling exposed a lack of buying interest. Losses of $3 were recorded but these were recovered, reports C. Czarnikow.

[illegible]

SOYABEAN MEAL

[illegible]

COTTON

[illegible]

RUBBER

[illegible]

OIL

Brent firmed 5-10c for September delivery while later cargoes gained up to 30c in heavy trader activity. Nymex opened firm and was trading 18-20c up at 1 pm EDT. In the petroleum products market gas oil prices in North-West Europe fluctuated in line with the futures to close stable. Gasoline and naphtha continued to be over-supplied with buyers expecting further falls—Petroleum Argus, London.

SPOT PRICES

CRUDE OIL—FOB ($ per barrel)—Sept.	Latest	Change + or —
Arab Light	27.40-27.45	+0.025
Arab Heavy	25.25-25.35	+0.10
Dubai	26.20-26.30	+0.10
Brent Blend	26.95-27.00	+0.075
W.T.I. (1pm est)	27.65-27.75	+0.20
Forcados (Nigeria)	—	—
Urals (cif NWE)	26.25-26.35*	+0.05

PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	256-258	—3
Gas Oil	234-235	—
Heavy fuel oil	137-139	—
Naphtha	241-243	—1

* August.

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close	+ or —	Business Done
	$ U.S. per tonne		
Aug			
Sep	231.00	—0.50	231.50-28.50
Oct	229.75	+0.50	230.00-27.75
Nov	230.00	+1.00	230.00-28.00
Dec	230.00	+1.00	230.00-28.25
Jan	228.75	+1.25	228.75-28.00

Turnover: 1,716 (1,623) lots of 100 tonnes.

POTATOES

Easier physical and Dutch markets led to initially lower levels on futures. Limited buying interest towards the close lifted values back to virtually unchanged on distant positions. The short-covering was possibly sparked by forecasts of more wet, cool weather rather than the finer conditions earlier predicted, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Nov.	55.90	56.90	56.00
Feb.	63.50	63.50	—
Apr.	73.90	74.00	74.00-73.30
May	79.20	79.30	79.20-78.80

Sales: 143 (109) lots of 40 tonnes.

PIGMEAT

Prices eased on profit-taking but the continuing cool weather maintained good physical demand, reports CCST Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
Oct.	111.40	112.10	111.5-111.3
Nov.	111.60	115.40	111.8-111.6
Feb.	101.00	101.40	101.1
April	101.00	101.40	101.5-101.6
June	101.00	101 20	—
Aug.	100.10	100.30	—

Sales: 15 (62) lots of 50 carcases, 3,250 kg.

FREIGHT FUTURES

[illegible]

U.S. MARKETS

PRECIOUS METALS attracted scattered buying ahead of President Botha's speech in South Africa today, reports Heinold Commodities. Copper attracted light buying on planned strikes for today in Peru. Sugar weakened on scattered profit-taking as overhead producer selling emerged. Coffee firmed on reports of tightness in the Brazilian internal market. Cocoa traded in o dull range on producer selling overhead while East European interest prompted a robust recovery on an oversold condition. The grain and soyabean markets rallied on a technically oversold condition. Heating oil firmed on a constructive trade report which indicated low stocks and low imports.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
August	45.10	—	—	44.95
Sept	45.35	46.40	45.20	45.16
Oct	45.70	—	—	45.50
Dec	46.40	46.40	46.25	46.20
Jan	46.75	—	—	46.55
March	47.45	47.40	47.40	47.25
May	48.15	—	—	47.95
July	48.85	—	—	48.65
Sept	49.55	—	—	49.35
Jan	50.95	—	—	50.70

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
Sept	2088	2097	2082	2091
Dec	2169	2169	2152	2161
March	2204	2205	2195	2195
May	2225	2217	2217	2216
July	2238	2240	2236	2239
Sept	2260	2255	2255	2250
Dec	2287	—	—	2277

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Sept	135.80	135.70	133.90	134.28
Dec	138.32	138.35	136.75	136.95
March	139.27	139.30	138.00	137.81
May	139.85	139.70	139.60	138.75
July	140.70	140.70	140.10	139.25
Sept	139.88	—	—	139.55
Dec	139.90	—	—	139.75

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
August	61.30	—	—	60.55
Sept	61.15	61.95	60.55	60.80
Oct	61.95	—	—	61.25
Dec	62.80	62.90	61.75	62.00
Jan	63.10	—	—	62.30
March	63.75	63.80	62.70	62.90
May	64.25	63.90	63.30	63.40
July	64.75	64.40	63.75	63.90
Sept	65.25	—	—	64.40
Dec	66.00	65.90	65.90	65.15

SPOT PRICES—Chicago loose lard 19.00 (same) cents per pound. New York tin 581.0-585.0 (581.0-588.0) cents per pound. Handy and Harman silver bullion 627.0 (626.0) cents per troy ounce.

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Oct	58.70	59.00	58.52	58.15
Dec	59.13	59.55	58.90	58.69
March	60.05	60.35	59.90	59.55
May	60.20	60.30	60.00	59.65
July	59.90	59.97	59.70	59.41
Oct	55.35	—	—	54.85
Dec	54.40	54.40	53.95	53.75

CRUDE OIL (LIGHT)

	Latest	High	Low	Prev
Sept	27.73	27.81	27.67	27.81
Oct	27.24	27.33	27.20	27.12
Nov	26.96	27.00	26.86	26.80
Dec	26.73	26.79	26.67	26.58
Jan	26.52	26.59	26.45	26.35
Feb	26.30	26.36	26.24	26.13
March	26.18	26.13	26.06	25.91
April	25.86	25.85	25.80	25.69
May	25.56	25.63	25.55	25.46
June	25.42	25.42	25.40	25.26

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
August	326.8	328.5	326.0	326.7
Sept	328.1	—	—	328.2
Oct	330.8	332.0	328.6	330.1
Dec	334.2	336.4	332.9	334.3
Feb	338.5	340.5	337.5	338.5
April	342.9	344.5	341.5	343.0
June	347.7	349.3	347.8	347.8
August	352.6	353.0	353.0	352.7
Oct	357.7	—	—	357.0
Dec	362.9	364.5	363.5	363.0
Feb	368.3	368.0	368.0	368.4
April	373.8	—	—	373.9
June	379.5	—	—	379.6

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Sept	73.80	74.25	73.85	73.54
Oct	74.75	75.10	74.50	74.31
Nov	75.38	75.55	75.05	74.83
Dec	75.85	76.10	75.55	75.45
Jan	76.25	76.35	76.05	75.80
Feb	75.50	75.50	75.00	75.25
March	72.70	72.70	72.70	72.30
April	70.90	—	—	70.15

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Sept	133.10	134.25	133.00	133.50
Nov	129.80	131.25	129.80	130.30
Jan	127.30	128.25	127.30	127.50
March	126.80	127.05	126.90	126.55
May	126.30	126.20	126.20	126.20
July	126.30	—	—	126.20

PLATINUM 50 troy oz, $/troy oz

[illegible]

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
August	629.5	632.0	632.0	630.7
Sept	632.0	637.4	627.5	633.5
Oct	636.4	—	—	637.9
Dec	644.7	650.0	640.0	646.2
Jan	649.4	—	—	650.9
March	657.9	663.0	653.5	659.4
May	666.9	—	—	668.4
July	676.5	678.0	678.0	678.0
Sept	686.7	689.0	685.0	688.2
Dec	702.5	704.0	697.0	704.0

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Sept	4.38	4.52	4.27	4.37
Oct	4.53	4.74	4.48	4.59
Jan	4.75	4.86	4.70	4.80
March	5.06	5.19	5.05	5.10
May	5.24	5.33	5.22	5.31
July	5.40	5.50	5.40	5.48
Sept	5.45	—	—	5.58
Oct	5.70	5.75	5.69	5.75

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
August	55.10	55.22	54.70	54.97
Oct	56.87	56.92	56.15	56.57
Dec	58.40	58.55	57.57	58.02
Feb	59.12	59.20	58.35	58.87
April	60.00	60.20	59.40	59.70
June	61.00	61.00	60.25	60.75
August	59.80	59.85	59.30	59.55

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
August	43.47	43.50	42.50	43.37
Oct	37.67	37.82	36.70	36.67
Dec	40.32	40.35	39.15	39.25
Feb	41.75	41.80	40.35	40.57
April	38.85	38.95	37.80	38.25
June	41.90	41.90	40.80	41.40
July	42.45	42.45	41.25	41.60
August	40.60	40.75	40.25	40.55
Oct	39.25	39.25	38.90	39.30

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
Sept	230.2	232.0	228.0	227.2
Dec	224.6	226.0	221.2	221.2
March	233.2	234.0	230.0	230.0
May	237.4	238.0	234.2	[illegible]
July	237.4	238.2	234.9	235.0
Sept	228.0	228.5	225.4	225.4
Dec	225.4	226.4	223.0	223.0

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
August	47.60	47.90	46.10	46.05
Feb	58.92	58.10	57.37	57.27
March	58.87	58.92	57.00	56.92
May	60.35	60.25	58.50	58.80
July	60.30	60.40	59.10	58.65
August	58.50	58.50	58.50	57.02

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
August	529.4	531.4	522.0	520.4
Sept	516.2	520.0	512.0	511.2
Nov	520.2	523.5	514.0	516.0
Jan	528.0	531.4	522.0	524.4
March	537.4	540.0	532.4	534.0
May	544.0	546.0	539.0	540.0
July	546.0	540.0	541.4	542.0
August	542.0	545.0	540.0	537.0
Nov	535.0	537.0	530.4	531.2

SOYABEAN MEAL 100 tons, $/ton

[illegible]

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
August	23.12	23.20	22.50	22.40
Sept	23.08	23.20	22.55	22.49
Oct	23.03	23.18	22.63	22.56
Dec	23.05	23.25	22.70	22.63
Jan	23.15	23.35	22.80	22.75
March	23.50	23.55	23.07	23.07
May	23.53	23.60	23.25	23.10
July	23.50	23.65	23.30	23.07
August	23.35	23.80	23.25	23.10

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Sept	294.2	296.4	291.0	291.2
Dec	306.6	308.4	304.0	304.0
March	311.0	311.6	307.2	308.4
May	300.0	302.0	298.2	298.0
July	280.0	281.0	278.0	278.0
Sept	283.0	284.4	283.0	281.0

OTHER MARKETS

ROTTERDAM

WHEAT—(U.S. $ per tonne): U.S. two red winter. Sept 130, Oct 132, Nov 136.50, Dec 136.50. U.S. northern spring 14 per cent protein Sept 148, Oct 150.50, Nov 153, Dec 156. U.S. northern spring 15 per cent protein Sept 158, Oct 161.50, Nov 163.50, Dec 167. U.S. three hard amber durum August 155, Sept 155, Oct 159, Nov 164. Canadian one western red spring 13.5 per cent August 152.50, Sept 156, Oct 160. Canadian one western amber durum Oct 174, mid-Nov/mid-Dec 178.

MAIZE—(U.S. $ per tonne): U.S. three yellow afloat 120, August 115, Sept 113.50, Oct 111, Oct-Dec 110. Jan-March 112, April-June 113. Argentine Plate afloat 132, mid-August/mid-Sept 129, Sept 129, April-June 115.

MEAT

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 78.0 to 82.0; English forequarters 53.5 to 58.0; Ulster hindquarters 86.0 to 92.0. Veal: Dutch hinds and ends 139.0 to 144.0. Lamb: English small 74.0 to 78.0, medium 72.0 to 75.0, heavy 68.0 to 72.0; Scottish heavy 67.0 to 70.0; Imported: New Zealand PL 64.0 to 65.5, PX 64.5 to 65.5. Pork: English under 100lb 50.0 to 57.0, 100-120lb 49.5 to 56.0, 120-160lb 44.0 to 48.0.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 96.92p per kg lw (—0.42). GB—Sheep 163.90p per kg est dcw (+1.39). GB—Pigs 80.02p per kg lw (+0.98). GB—AAPP 99.18p per kg dw.

PARIS

SUGAR—(FFr per tonne): Oct 1368/1370, Dec 1366/1373, March 1396/1402, May 1427/1439, Aug 1475/1494, Oct 1520/1540.

COCOA—(FFr per 100 kg): Sept 2010/2024, Dec 2007/2012, March 2010/2025, May 2025 bid, July 2035 bid, Sept 2045 bid, Dec 2055 bid.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firm in narrow range

Interest rate trends tended to support the dollar in quiet foreign exchange trading yesterday. The Federal funds rate in New York was very firm at around 8¼ per cent, while Bankers Trust brought its broker loan rate into line with other major banks at 9¼ per cent from 8¾ per cent. Eurodollar deposit rates were slightly higher in London, and in Frankfurt the German Bundesbank is to hold a press conference today, following a meeting of the central bank's council, when a cut in the German discount rate is expected to be made known. Yesterday's rise of 0.4 per cent in U.S. June business inventories was much as expected, but also helped underpin the dollar. Trading remained in a narrow range however, with dealers reluctant to push the dollar above DM 2.80

The U.S. currency also held above the resistance level of DM 2.78 throughout, to close at DM 2.7890 compared with DM 2.7840; FFr 8.5325 against FFr 8.51; SwFr 2.3010 compared with SwFr 2.2975; and Y237.85 against Y237.25.

On Bank of England figures the dollar's index rose to 137.0 from 136.5.

STERLING — Trading range against the dollar in 1985 is 1.4290 to 1.0525. July average 1.3783. Exchange rate index fell 0.3 to 81.7 and was at that level for most of the day. After opening at 81.7, it fell to a low of 81.5 at 9 am and touched a peak of 81.8 at 2 pm.

Sterling drifted down quietly in rather subdued trading, but picked up a little against the dollar towards the close. There were no new factors and London interest rates were steady, showing less optimism about an early cut in bank base rates. The pound fell 45 points to $1.3845-1.3855. Sterling also declined to DM 3.8550 from DM 3.8750; FFr 11.79 from FFr 11.84; SwFr 3.18 from SwFr 3.20; and Y329 from Y330.25.

D-MARK — Trading range against the dollar in 1985 is 3.4510 to 2.7840. July average 2.9134. Exchange rate index 126.5 against 119.1 six months ago.

The D-mark lost ground to the dollar in Frankfurt yesterday, ahead of today's figures from the U.S. on July industrial production and a probable cut in leading German interest rates at the Bundesbank central council meeting. The dollar was supported by Tuesday's U.S. retail sales announcement and by speculation about lower German interest rates. Eurodollar rates also had a firmer tone, after an overnight rise in the New York Federal funds rate. Trading was in a narrow range, but at the Frankfurt close the dollar had improved to DM 2.79425 from DM 2.78625 on Tuesday. Earlier in the day the dollar was fixed at DM 2.7930 against DM 2.7736, without intervention by the Bundesbank. Sterling fell to DM 3.8630 from DM 3.8750 at the fixing, but the Swiss franc rose to DM 1.2134 from DM 1.2129.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu August 14	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.8320	45.1498	+0.71	+1.11	±1.5425
Danish Krone ...	8.12857	8.04822	−0.99	−0.59	±1.6421
German D-mark	2.23840	2.22478	−0.61	−0.21	±1.1455
French Franc ...	6.86402	6.79760	−0.97	−0.57	±1.3654
Dutch Guilder...	2.52208	2.50283	−0.76	−0.36	±1.5162
Irish Punt	0.724578	0.714591	−1.36	−0.98	±1.6673
Italian Lira	1520.60	1494.36	−1.73	−1.73	±4.0856

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

STERLING INDEX

	Aug 14	Previous
8.30 am	81.7	81.9
9.00 am	81.5	81.9
10.00 am	81.7	82.0
11.00 am	81.7	82.2
Noon	81.7	82.2
1.00 pm	81.7	82.3
2.00 pm	81.8	82.1
3.00 pm	81.7	81.9
4.00 pm	81.7	82.0

£ IN NEW YORK

	Aug. 14	Prev. close
£ Spot	$1.3895-1.3905	$1.3860-1.3870
1 month	0.44-0.49 pm	0.45-0.43pm
3 months	1.14-1.10 pm	1.12-1.09pm
12 months	2.78-2.68 pm	2.73-2.93pm

Forward premiums and discounts apply to the U.S. dollar

POUND SPOT—FORWARD AGAINST POUND

August 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.3795-1.3895	1.3845-1.3855	0.44-0.41c pm	3.68	1.12-1.07 pm	3.16
Canada	1.8743-1.8789	1.8753-1.8783	0.46-0.37c pm	2.65	1.10-0.95 pm	2.18
Nethlnd.	4.33¾-4.35	4.33¾-4.34½	2½-2c pm	5.70	5⅞-5⅝ pm	8.30
Belgium	77.85-78.49	78.30-78.40	18-9c pm	2.07	34-17 pm	1.30
Denmark	13.94-13.97¾	13.95½-13.96½	3¾-2¾ore pm	2.79	10-8⅝ pm	2.69
Ireland	1.2392-1.2453	1.2405-1.2410	0.18-0.08p pm	1.02	0.40-0.18 pm	0.93
W. Ger.	3.85-3.86¾	3.85-3.86	2½-2¼pf pm	7.20	6⅝-6⅛ pm	0.74
Portugal	226½-229¾	226¾-229¾	65-420c dis	−12.75	495-1495dis	−16.82
Spain	227-228	227-227½	65-210c dis	−7.26	220-515 dis	−6.58
Italy	2585¾-2596¾	2588-2589	par-4ore dis	−0.93	11-19 dis	−1.77
Norway	11.37¾-11.41¾	11.39½-11.40½	¼-1¼ore dis	−1.06	3¼-4¼ dis	−1.28
France	11.77¾-11.82	11.78½-11.79½	1c pm-⅛ dis	−0.45	2¼-4⅞ dis	−1.08
Sweden	11.47¾-11.51¾	11.49-11.50	3⅞-4½ore dis	−4.06	10½-11¾ dis	−3.87
Japan	328¼-329¾	328½-329½	1.60-1.58y pm	5.85	4.20-4.05 pm	5.02
Austria	27.08-27.17	27.11-27.17	15-13¾gro pm	6.33	38¼-35½ pm	0.54
Switz.	3.17½-3.19	3.17½-3.18½	2-1⅞c pm	7.31	5⅞-5⅝ pm	0.63

Belgian rate is for convertible francs. Financial franc 79.35-79.50. Six-month forward dollar 1.82-1.77c pm. 12-month 2.75-2.60c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

August 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.3795-1.3895	1.3845-1.3855	0.44-0.41c pm	3.68	1.12-1.07 pm	3.16
Ireland†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc [illegible].

OTHER CURRENCIES

Aug. 14	£	$		£ Note Rates
Argentina Austl.	1.1076-1.1098	0.8000-0.8011	Austria............	27.00-27.30
Australia Dollar	1.9560-1.9600	1.4145-1.4165	Belgium	78.65-79.45
Brazil Cruzeiro...	0.206 9.248	6.650 6.670	Denmark...........	13.91-14.05
Finland Markka	8.1952-8.9165	0.8420-5.9440	France	11.76-11.88
Greek Drachma	179.70-183.39	129.75-132.30	Germany	3.84½-3.87½
Hongkong Dollar	10.7600-10.7760	7.7890 7.7980	Italy	2580-2620
Iran Rial	124.30*	89.90*	Japan..............	329-332
KuwaitDinar(KD)	0.4170 0.4180	0.30195-0.30205	Netherlands........	4.32½-4.39½
LuxembourgFr...	78.30-78.40	56.65-56.75	Norway..............	11.35-11.45
Malaysia Ringgit	3.3870 3.4020	2.4590-2.4610	Portugal............	222-238
NewZealand Dlr.	2.8100 2.8175	2.0150 2.0200	Spain...............	220-230
Saudi Arab Riyal	5.0465 5.0618	3.6505-3.6515	Sweden.............	11.44-11.52
Singapore Dollar	3.0515-3.0565	2.2080-2.2119	Switzerland.........	3.17½-3.20
Sth African Rand	3.0830 3.1210	2.2525-2.2625	United States.......	1.37½-1.39½
U.A.E. Dirham ...	5.0755-5.0815	3.6720-3.6730	Yugoslavia..........	360-405

* Selling rate.

CURRENCY MOVEMENTS

Aug. 14	Bank of England Index	Morgan Guaranty Change %
Sterling........................	81.7	[illegible]
U.S. dollar....................	137.0	[illegible]
Canadian dollar..............	88.2	−7.3
Austrian schilling...........	116.8	+4.8
Belgian franc.................	91.0	−10.0
Danish Kroner...............	80.9	−4.6
Deutsche mark..............	126.6	+8.9
Swiss franc..................	148.5	+11.8
Guilder........................	116.6	+6.8
French franc..................	67.0	−15.7
Lire.............................	44.0	−20.1
Yen.............................	166.8	+13.4

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Aug. 14	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling..............	—	[illegible]	[illegible]
U.S. $...............	[illegible]	[illegible]	[illegible]
Canadian $..........	[illegible]	[illegible]	[illegible]
Austria Sch..........	[illegible]	[illegible]	[illegible]
Belgian Fr...........	10	58.3730	46.1498
Danish Kr...........	7	10.4819	8.04822
D mark..............	4½	N/A	2.22478
Guilder..............	5½	3.24232	2.50283
French Fr...........	9½	N/A	6.79760
Lira..................	13½	1031.66	1494.39
Yen..................	5	245.200	188.667
Norway Kr..........	8	N/A	6.56708
Span'h Pta..........	—	170.049	131.245
Swedish Kr..........	10½	9.56857	6.62497
Swiss Fr.............	4	2.37664	1.83459
Greek Dr'ch.........	20½	136.660	104.597
Irish Punt...........	13½	0.924693	0.714591

* CS/SDR rate for August 13: 1.40629.

EXCHANGE CROSS RATES

Aug. 14	Pound St'ling	U.S. Dollar	Deutschem'k	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.385	3.865	329.0	11.79	3.180	4.340	2589.	1.877	78.35
U.S. Dollar	0.722	1.	2.789	237.0	8.535	2.301	3.143	1873	1.355	56.70
Deutschemark	0.259	0.359	1.	85.34	3.058	0.825	1.129	671.5	0.487	20.32
Japanese Yen 1,000	3.040	4.210	11.72	1000.	35.84	9.666	13.19	7868.	5.706	238.1
French Franc 10	0.848	1.176	3.270	279.1	10.	2.697	3.681	2196.	1.592	66.45
Swiss Franc	0.314	0.435	1.212	103.5	3.708	1.	1.365	814.0	0.590	24.64
Dutch Guilder	0.230	0.319	0.888	75.81	2.717	0.733	1.	596.4	0.432	18.05
Italian Lira 1,000	0.386	0.535	1.489	127.1	4.555	1.229	1.977	1000.	0.725	30.27
Canadian Dollar	0.533	0.738	2.054	175.3	6.282	1.694	2.312	1379.	1.	41.75
Belgian Franc 100	1.279	1.766	4.920	419.0	15.05	4.059	5.539	3304.	2.395	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Aug. 14	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	11¾-11⅞	8⅛-8⅜	9⅛-8⅝	6⅛-6⅞	2¾-3	4⅝-4¾	9⅛ 9¾	—	8¾-9	8-8⅛	6⅛-6⅜	9¾-9¼
7 days' notice.....	11⅝ 11¾	7⅞-8⅛	8⅛-8¾	6⅛-6¼	9⅝-2⅝	4⅝-4¾	10 10¼	—	9⅝ 9⅝	8¾-9	6⅛-6⅛	8¾-9¼
Month	11⅝ 11¾	7⅞ 8⅛	8⅝ 8⅞	5⅞ 6⅛	4⅛-4⅜	4⅛ 4⅜	10⅞-11⅛	12 13⅛	9 9⅞	9 9¼	6⅛-6⅜	8¾-9¼
Three months......	11⅝-11⅞	8⅛-8⅜	8⅞ 9⅛	5⅞ 6	4⅝ 4¾	4⅝-4⅞	19⅛-19⅜	18¾-18⅞	9¾-10⅛	8⅛-9⅛	6⅜-6⅞	9¾-9¼
Six months.........	11⅛-11⅜	9¼ 9⅜	9¼-9⅞	5⅜-5⅞	4⅛-4⅜	4⅛ 4⅜	12¼-12½	13¼ 14	9⅛-10¼	9⅝ 9⅞	6¼-6⅝	9⅞-9⅝
One year	10⅞-11	8⅝ 8¾	9⅛ 9¾	5⅜-5⅞	4⅛-4⅜	4⅛ 4⅜	12⅞-12⅝	13⅝-14¼	10-10⅛	9¾-10	6¼-6⅝	9-9½

Asian $ (closing rates in Singapore): Short-term 7⅞-8 per cent; seven days 7⅞-8⅛ per cent; one month 7⅞-8⅛ per cent; three months 8⅛-8⅜ per cent; six months 8⅜-8⅝ per cent; one year 8⅝-8¾ per cent. Long-term Eurodollars: two years 9⅞-9⅞ per cent; three years 10⅛-10⅜ per cent; four years 10⅜-10⅝ per cent; five years 10⅝-10⅞ per cent nominal. Short-term rates are call for U.S. dollar and Japanese yen; others two days' notice.

MONEY MARKETS

Bundesbank likely to cut leading rates

In Frankfurt the Bundesbank announced there will be a press conference after today's council meeting, the first since the summer break. The news was taken by the market to indicate the central bank is about to cut its discount rate by ½ per cent to 4 per cent, and possibly the Lombard rate by a similar amount to 5 per cent. Credit conditions are slightly tighter this week, after banks bid for only DM 4.3bn in temporary liquidity through security repurchase agreements to replace DM 10.7bn draining from the market as earlier agreements expired on Monday. Call money was 4.85 per cent yesterday, compared with a low of 4.45 per cent last week. The German authorities have recently fostered lower interest rates at the Bundesbank the minimum tender rate on repurchase pacts with the banks, and also by cutting the rate on three-day Treasury bills, but market rates have now reached a level where only lower leading interest rates at the Bundesbank will continue the downward trend.

In London sterling interbank rates were steady, with three month money unchanged at 11¾ per cent. On the other hand, bill rates were slightly higher. Discount houses offered to buy three-month bank bills at 11⅛ per cent against 10⅞ per cent.

The Bank of England forecast a money market shortage of £700m, but changed this to £750m, and gave total help of £693m.

Before lunch the authorities bought £375m bills outright, by way of £7m bank bills in band 1 (up to 14 days maturity) at 11¼ per cent; £63m bank bills in band 2 (15-33 days) at 11⅛ per cent; £20m Treasury bills in band 3 (34-63 days) at 11¼ per cent; £12m local authority bills in band 3 at 11¼ per cent; £222m bank bills in band 3 at 11¼ per cent; and £51m bank bills in band 4 (64-91 days) at 11⅛ per cent.

In the afternoon another £258m bills were bought outright, through £2m bank bills in band 1 at 11¼ per cent; £169m bank bills in band 2 at 11⅛ per cent; £46m bank bills in band 3 at 11¼ per cent; and £41m bank bills in band 4 at 11⅛ per cent. Late assistance of £60m was also provided.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £536m, with the unwinding of repurchase agreements absorbing £428m, a rise in the note circulation £90m, and bank balances below target another £35m. These outweighed Exchequer transactions adding £375m to liquidity.

UK clearing banks base lending rate 11½ per cent since July 30.

MONEY RATES

Aug. 14	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	4.8-4.9	9¾	3⅝-3⅝	6⅛-6½	6.21875	14⅛-14⅝	8.90	11¼-11½
One Month.........	4.7 4.85	9⅛-9⅜	4⅛-4⅜	6⅛-6⅛	6.34375	13⅞-14¼	9-9¼	10⅝-10⅞
Two Months	4.7-4.85	9¾-9⅞	—	—	—	—	—	10½-10¾
Three Months	4.7-4.65	9⅜-9⅝	4⅝-4¾	5⅞-6	6.34375	14¼-14⅝	9⅛-9⅜	10½-10¾
Six Months	4.7-4.85	9⅞-10⅛	—	5⅞-6	—	—	9⅝-9⅞	10¼-10½
Lombard	6.0	—	—	—	—	—	—	—
Intervention	—	9⅝	—	5⅜	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Aug. 14 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight.......	—	11¼-14	11¾	11¼-19	11¼-19½	—	—	—	—	—
2 days notice...	—	—	11½	—	—	—	—	—	—	—
7 days or........	—	—	—	—	—	—	—	—	—	—
7 days notice...	—	11⅝-11⅞	11½	11⅝-11⅞	11⅝-11¾	—	—	—	—	—
One month......	11⅛-11⅝	11⅝ 11⅞	11⅝	11¾	11⅝	11⅛	11⅛	11⅝	11⅛-11⅛	12
Two months.....	11⅝-11⅝	11⅝-11⅝	11⅝	11⅝	11	11⅛	11⅛	11¼	11⅛	11½
Three months...	11¼-11⅛	11⅝-11¾	11⅝	11⅛	10¾	11⅛-11⅛	10⅞-10⅞	11⅛	10⅞-11	11⅛
Six months.....	10⅞-10⅞	11⅛-11¼	11⅛	—	—	—	—	10⅞-10⅞	10⅞-10½	11⅛
Nine months....	10⅞-10⅞	10⅞ 11⅛	11	—	—	—	—	—	—	—
One year.......	10⅞-10⅝	10⅞ 11⅛	10⅞	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month......	12¼ 10	—	11⅛	7.75-7.85	7⅛-7⅞	9⅞-9¼
Two months.....	11⅞-11¾	—	11⅝	7.75-7.85	7⅝-8	9-9⅛
Three months...	11¾-11⅛	—	11⅛	7.8-7.0	7¾-8	9⅛-9⅞
Six months......	11⅛-11½	—	11¼	8.0-8.1	7⅞ 8⅛	8⅞-9¼
Nine months....	11⅛-11⅛	—	11⅛	8.3-8.4	—	—
One year........	11⅞-10⅞	—	11⅛	8.45-8.55	8⅛ 8⅛	9⅛ 9¼
Two years	—	11	—	—	—	—
Three years....	—	10⅞	—	—	—	—
Four years.....	—	10⅞	—	—	—	—
Five years.....	—	10⅞	—	—	—	—

ECGD Fixed Finance IV: Average Rate of Interest period July 3 to August 6 (inclusive): 11.988 per cent. Local authority and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 12½ per cent from August 1, 1985. London and Scottish Clearing Bank Rates for lending 11½ per cent. Bank Deposit Rates for sums at seven days' notice 6.25-6.625 per cent (net). Treasury Bills: Average tender rate of discount 10.0568 per cent. Certificates of Tax Deposits (Series 8): Deposits £100,000 and over held under one month 11¾ per cent; one-three months 11½ per cent; three-six months 11¼ per cent; six-nine months 11¼ per cent; nine-12 months 11 per cent. Under £100,000 10½ per cent from August 9. Deposits held under Series 5 11 per cent. The rate for all deposits withdrawn for cash 7½ per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	9½
Broker loan rate	9½
Fed funds	8
Fed funds at intervention ...	8⅛

Treasury Bills

One month	6.63
Two month	6.73
Three month	7.73
Six month	7.71
One year	0.03

Treasury Bonds

Two year	8.86
Three year	9.31
Four year	9.63
Five year	9.89
Seven year	10.28
10 year	10.42
30 year	10.67

FT LONDON INTERBANK FIXING

(11.00 a.m. Aug. 14)

Three months U.S. dollars

bid 8 1/16	offer 8 5/16

Six months U.S. dollars

bid 8 1/4	offer 8 5/8

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

FINANCIAL FUTURES

Euros and bonds firm

Eurodollar and U.S. Treasury bond futures finished around the day's highs on the London International Financial Futures Exchange yesterday. September Eurodollars opened slightly lower at 91.86, reflecting the earlier trend in Singapore. Federal funds opened much higher than expected in New York at about 8¼ per cent, and this increased selling pressure, taking the contract down to a low of 91.82. June business inventories were a little higher than some traders expected, rising 0.4 per cent, but this did not push the market lower, with dealers still anticipating that other figures will indicate little or no improvement in the domestic U.S. economy. Last night's consumer credit figures

Against this background September Eurodollars rose to a peak of 91.91, and closed at 91.89 compared with 91.87 previously. U.S. bond futures followed a similar pattern, finishing at the day's peak of 76-02 for September delivery, against 75-25 on Tuesday

Gold closed unchanged at $326-326½ on the London bullion market. It opened at $326¼-326¾ and was fixed at $326.20 in the morning and $326 in the afternoon.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Sept	91.89	91.91	91.82	91.87
Dec	91.49	91.51	91.42	91.47
March	91.07	91.08	90.99	91.05
June	90.68	90.69	90.62	90.67
Sept	90.32	90.29	90.26	90.31

Estimated volume 4,507 (5,339)
Previous day's open int 20,288 (20,564)

THREE-MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

Estimated volume 1,128 (2,150)
Previous day's open int 7,284 (7,349)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
Sept	112-07	112-11	112-04	112-08
Dec	112-12	—	—	112-19
March	112-28	—	—	112-28

Estimated volume 1,675 (2,606)
Previous day's open int 3,823 (3,603)
Basis quote (clean cash price of 13¼% Treasury 2004-08 less equivalent price of near futures contract) —16 to —6 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

Estimated volume 101 (584)
Previous day's open int 3,145 (3,175)

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

Estimated volume 46 (139)
Previous day's open int 272 (284)

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

Estimated volume 2 (9)
Previous day's open int 164 (188)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

Estimated volume 2 (2)
Previous day's open int 170 (170)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

Estimated volume 78 (88)
Previous day's open int 1,466 (1,462)

U.S. TREASURY BONDS
8% $100,000 32nds of 100%

	Close	High	Low	Prev
Sept	76-02	76-02	75-17	75-25
Dec	74-31	74-19	74-19	74-23
March	73-30	—	—	73-23

Estimated volume 1,165 (2,123)
Previous day's open int 2,912 (2,861)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	75-23
Dec	[illegible]	[illegible]	[illegible]	74-20
March	[illegible]	[illegible]	[illegible]	73-20
June	[illegible]	[illegible]	[illegible]	72-22
Sept	[illegible]	[illegible]	[illegible]	71-27
Dec	[illegible]	[illegible]	[illegible]	71-02

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

CERT. DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

STERLING (IMM) $ per £

	Latest	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

GNMA (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	73-11
June	—	—	—	72-25
Sept	—	—	—	72-07

LIFFE OPTIONS REPORT

Sterling Currency—£25,000 c per £
Modest volume traded as sterling eased lower on cash markets.

Est volume Calls	Est volume Puts	Previous day's open interest Calls	Previous day's open interest Puts
337	318	9191	5663

Eurodollar Future—points of 100%
Low volume in very quiet trading conditions.

Est volume Calls	Est volume Puts	Previous day's open interest Calls	Previous day's open interest Puts
101	30	953	1218

For full details of settlement prices call:
Louisa Powell of LIFFE on 01-623 0444
LIFFE, ROYAL EXCHANGE, LONDON EC3V 3PJ

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INDUSTRIALS—Continued

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
48	28	Mammet Hldgs 10p	38		—	—	—	♦
344	202	Man. Ship Can. £1	344	+14	5.5	5.5	2.3	10.1
104	70	Marley	71	+1	3.75	2.2	7.5	8.6
107	52	Marling Ind. 10p	88		1.3	♦	2.1	♦
74	36	Marshall L'ay. 'A'	73	+1	2.4	4.9	4.7	5.2
77	58	Marshall's Universal	60		2.0	1.4	4.8	19.0
86	78	Do 7½pcCnRedPf £1	83		7½%	—	12.9	—
For Martin-Black see Dean Park Hotels in Recent Equities								
£99	£81	Matthesons 7¾%	£99		Q7¾%	2.3	7.9	—
35	26	Maxiprin 1p	28		—	—	—	—
490	575	Metal Box £1	490	+7	17.25	3.1	5.0	7.4
170	119	Metal Closures	130	+7	6.7	2.0	7.4	8.1
17	3	Metal Sciences 2½p	4½	+1½	—	—	—	—
104	73	Midland Marts	85	+2	4.0	♦	6.7	♦
83½	58½	Mitchell Cotts	59½		4.0	1.5	9.6	8.5
230	182	Morgan Crucible	193	−2	8.0	1.6	5.9	13.4
32½	22	Morris (W) F.A. 20p	29		0.5	♦	2.5	♦
110	91	Moss (Robt.) 10p	104		3.0	2.5	4.1	11.5
01	60	Myson Grp 10p	69	−1	2.5	3.4	5.2	13.1
328	214	NMW Computers	245	+5	4.8	2.7	2.8	18.8
43	28	Nash Inds.	30		2.5	1.5	‡	6.9
48	18	Neil & Spencer 10p	19	−1	♦	—	—	5.7
44	14½	Newman Inds 10p	34		—	—	—	(26.1)
41	28	Nobo	30		1.17	4.5	5.6	5.8
183	146	Norcros	176		8.6	2.2	7.0	8.8
67	50	Nu-Swift 5p	52		3.0	1.6	8.2	10.0
111	68	Oakwood Grp	98		4.5	1.4	6.6	(14.4)
230	150	Office & Elect	217	+5	7.5	2.4	4.9	11.9
108	75	Oldacre 20p	77		4.0	2.6	7.4	6.8
58	37	Optometrics 50.01	44	−2		—	3.6	46.7
495	312½	Ordlane £1	440		23.4	1.8	5.3	10.4
10	12	Overstone 12½p	13					
£190	£158	Oxald 9pc Cnv 87/92	£185		Q3.23c	1.9	8.5	6.2
185	105	PCT Grp 10p	135		Q9%	—	4.9	—
£14	850	PLM 'B' Sk 25	900	+50	Q21.6%	♦	5.1	♦
141	142	PSM Intl.	152	+2	5.2	2.2	5.0	16.3
65	50	Pacific Sales 10p	60		5.25	2.5	4.9	10.4
204	165	Parker Knoll 'A'	175		2.4	2.2	5.7	(9.1)
108	45	Parkfield Group 5p	188		9.0	2.8	7.3	6.9
80	37	Pavion Intl	61	−2	2.4	♦	3.2	♦

[illegible]

LEISURE—Continued

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
52	7	Entertain Prod 5p	7		2.25	2.1	45.9	1.2
78	50	Fairline Boats 10p	74		2.63	2.6	5.1	10.5
318	228	First Leisure £1	318	+7	6.5	2.8	2.9	14.7
69	51	GRA Group 5p	56	−1	—	—	—	59.3
32	25	Grampian TV A 10p	25		1.67	♦	9.5	♦
147	117	HTV Non-Vtg.	143	−4	7.0	2.9	7.0	6.4
148	95	Horizon	122	+2	4.4	3.6	5.2	5.4
184	90	Insight	160	−4	2.5	6.5	2.2	9.9
134	102	Intasun 10p	127	−3	4.8	3.1	5.4	6.9
33	4½	Intervsn Video 10p	5		—	—	—	—
232	170	Juliana's Hldgs 2p	177	+2	2.0	1.8	1.4	29.2
275	217	LWT	275		14.4	2.3	7.5	8.3
50	25	Leisure Inv 10p	28		—	—	—	—
65	55	Leisuretime Int 10p	56	−2	2.1	3.9	5.4	6.0
For Mngmt Ag'y see Chrysalis								
183	153	Media Tech Int 20p	172	+7	2.58	3.9	2.1	17.0
200	124	Medminster 10p	161	−1	4.65	2.6	4.3	10.9
280	175	Miss World 10p	195		3.6	4.1	2.6	13.3
127½	70	Nationwide Leisure	75		3.75	2.5	7.2	6.6
39	15	Nirvana Int 20c	20	+2	—	—	—	—
24½	14½	Owners Abroad	21		1.0	2.2	6.8	9.4
53	38	Photax (Lon.)	40	+2	—	—	—	—
24½	21	Philly Radio NV 5p	22		1.87	1.1	12.2	10.9
90	10	Pineapple Dnc St 10p	35		1.5	1.2	6.1	18.8
250	183	Pleasurama 5p	247	−3	6.6	3.7	2.7	14.7
124	109	Do. 7pcCnCnRedPf	124		7%	—	8.1	—
96	77½	Pres Entertain 50p	90	+2	2.0	2.1	3.2	21.4
65	28	Radio City 'A' NV	32		5.0	0.9	‡	6.4
55	42	Radio Clyde NV	42		3.25	2.0	11.1	6.2
63	34	Riley Leisure 10p	41	+1	0.7	—	2.4	—
193	143	Saga Hols. 20p	182	+2	4.0	2.1	3.3	19.4
255	108	Samuelson Grp 20p	255	+27	1.8	3.6	1.0	49.5
42	25	Sangers Photo 10p	32		2.0	1.9	8.9	10.4
282	138	Scandro 50p	145		3.6	2.6	3.6	14.1
156	128	Scott. TV 'A' 10p	150		8.8	2.8	8.4	6.2
508	319	SeaCo Inc $0.125	334	+3	—	—	—	—
35	7	SelecTV 10p	7		—	—	—	—
140	10	Spectrum 5p	13		2.0	4.8	‡	1.4
32	23	TSW 5p	28	+½	1.5	2.6	7.7	7.1
142	108	TVS N/Vtg 10p	140		6.0	2.2	5.1	10.6

[illegible]

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[illegible]

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O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

Tins

[illegible]

Miscellaneous

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
55	30	Anglo-Dominion	30		—	—	—
For Anglo Utd Dev see Recent Equities							
350	117	Centennial Min'ls.	238		—	—	—
120	65	Colby Res Corp.	70	−5	—	—	—
550	325	Cons. Murch. 10c	325	−10	Q100c	1.4	10.3
40	24	Ennex Int. Ir10p	25		—	—	—
215	115	Hampton Areas 10p	133	+11	3.75	0.9	1.0
260	135	Highwood Res.	175	−5	—	—	—
£22½	£17½	Homestake Mining $1	£20	+¼	Q20c	—	7.2
310	190	McFinley Red Lake	255	+5	—	—	—
335	195	Mesto Explorations	335	+10	—	—	—
55	23	New Sabina Res C$1	50		—	—	—
375	245	Northgate C$1	287		—	—	—
685	533	RTZ	555	−10	20.0	2.7	5.1
£1[illegible]	£116½	Do 9½pcLn '95-2000	£123½	−½	Q9½%	14.0	17.8
£1[illegible]	£10	Tara Expln $1	£10¼		—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable, bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ■ "Tap Stock".
- • Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ✝ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ¶¶ Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◊ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ∥ No par value

B Fr. Belgian Francs. Fr French Francs. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xf ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	96	....	Arnott	180	.....
Craig & Rose £1	700	....	CPI Hldgs	56	.....
Finlay Pkg. 5p	61	....	Carrol Inds.	146	.....
Higsons Brew	235		Dublin Gas	70	.....
Holt (Jos) 25p	730	+10	Hall (R. & H.)	58	+1
IoM Stm. £1	85	−2	Heiton Hldgs.	39	.....
IRISH			Irish Ropes	46	.....
Fund 11¾% 1988	£101⅞	..	Jacob (W & R)	80	.....
Nat. 9¾% 84/89	£97⅜	..	Unidare	85xd	.....
Fin. 13% 97/02	£110⅜				

"Recent Issues" and "Rights" Page 27
(International Edition Page 26)

LONDON STOCK EXCHANGE

MARKET REPORT

Interest rate hopes continue to underpin equities and leaders close at day's best

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
July 29	Aug 8	Aug 9	Aug 19
Aug 12	Aug 29	Aug 30	Sept 9
Sept 2	Sept 12	Sept 13	Sept 23

* "New-time" dealings may take place from 8.30 am two business days earlier.

Equity values moved higher in an interest rate-sensitive market yesterday but business was slow and often concentrated an companies reparting news items. Trading statements were more plentiful than usual and hraught sector highlights as well as individual features. One af the brightest areas was Composite Insurances which regained their appeal to investors following much better-than-expected half-yearly results from both Commerical Union and General Accident.

Reflecting the release of official statistics showing a slightly slower rate of UK growth in the second-quarter, blue chip shares opened cautiausly. Most improved when sterling drifted back from Tuesday's high level, although turnover remained at a disappointing level. Hopes of a cut soon in base lending rates continued to underpin sentiment and further encouragement was gained from speculation of an imminent fall in German interest rates. A resumption of dearer money treods in the U.S.—Bankers Trust announced a higher broker loan rate yesterday—failed to dampen these hopes.

Investment initiative in the afternoon was thwarted by publication of the latest UK average earnings figures; these showed continuing strength in the underlying rate of increase. After the official close of the market, however, interest picked up again following a firm tone in early Wall Street trading. The upshat was that the FT Ordinary share nidex, which had remained static for much of the afternoon, added a few points late to close a net 6.4 higher at the session's best of 966.0.

The slightly easier sterling exchange rate stifled any major activity in Government securities. There was same evidence of further switching from the now tapped longer end of the market to medium life issues, but the business was small. Shorter maturities attracted limited support and settled around ¼ higher in places, but index-linked Gilts were devaid of interest.

Commercial Union and General Accident got the Composite Insurance dividend season aff ta a confident start. CU jumped 13 to 229p in response ta news that the company had made a £5.4m profit in the second-quarter which helped keep losses at the half-way stage down ta £12.1m. GA, meanwhile, reflected details of the modest deficit incurred in the first-half and touched 658p hefare closing 5 dearer on halance at 652p. Royals, scheduled ta report tomorrow, advanced 20 ta 703p, while GRE rose 13 to 760p and Sun Alliance impraved 10 to 510p. Life issues were rejuvenated hy Press comment. Equity and Law gained 8 ta 268p and London and Manchester appreciated 10 to 772p.

Barclays were a lively market and sharply hetter at 400p initially an rumours that the company would announce at a 3 pm Press conference the sale of its South African interests or, that it had been granted permissian to deal in American Depository Receipts in the U.S. However, the shares quickly retreated an the subsequent statement that it is anly reducing its stake in its South African subsidiary from 50 to around 40 per cent to close at the overnight level of 385p. Other clearers were overshadowed by the activity in Barclays. Llayds also reacted from an early firm level of 425p ta close a net 5 down on the session at 415p. NatWest, however, closed 8 to the good at 648p, after 655p.

Britoil new shares fluctuated narrowly prior to closing a penny cheaper at 119p. Among recently-issued equities, persistent small buying in a restricted market lifted Isotron 17 to 235p.

Breweries responded to revived support and the leaders more than regained Tuesday's loses. Bass led the way with an advance of 13 to 563p. Guinness put on 3 mare to 265p, while takeover target Arthur Bell touched 263p before settling a net 7 higher at 260p. Regionals took their recent rally a stage further. Matthew Brown rose 5 to 415p an hopes af a Manapolies Commission clearance for the hid from Scottish and Newcastle. Greene King, 200p, and Walverhampton and Dudley, 364p, improved 6 and 8 respectively, while Vaux closed another 10 ta the good at 320p.

Leading Building issues attracted light support on interest rate considerations. John Laing moved up 5 to 276p and George Wimpey gained the turn at 132p. Barratt Developments, however, a rising market recently after comment an the company's recovery potential, encountered profit-taking and shed 4 ta 84p. Renewed huying ahead of tamorrow's annual results lifted Access Satellite 15 to 225p, while Exeter Building, still reflecting the gaod half-timer, gained 8 mare to 155p.

After Tuesday's reactian of 12 on currency influences, ICI traded on a steadier note and rallied 5 ta 659p. Floor coverings cancern James Halstead revived strongly on takeover speculation and gained 10 ta 97p.

In Stares, Owen Owen continued ta make progress and rose 10 more to 370p, while USM-quoted Clayfarm Properties, which holds 11.6 per cent of Owen, firmed 5 to 191p. Fresh enthusiasm was noted far Fine Art Develapments, 4 up at 91p, while J. J. Dewhirst, 83p, and Pepe, 96p, improved 7 and 9 respectively. Henry Wigfall attracted "call" option business and put an 5 for a two-day gain of 12 at 135p, but Sumrie Clothes dipped 4 to 28p fallowing the announcement of a Department of Trade probe inta the company's books.

Plessey encountered nervous afferings awaiting taday's first-quarter figures and slipped ta 144p before closing 2 dearer an the day at 148p. Other Electrical leaders traded an a quietly firm note. British Telecom hardened a couple of pence to 194p, as did GEC, to 190p. Secondary issues were featured by BSR which tumbled ta 63p befare settling a net 7 down at 68p fallowing news of a £3m interim deficit. Elsewhere, Security Centres gained 6 to 128p awaiting bid develapments, while takeover favourite United Scientific revived 15 to 180p. Acorn Computers continued ta reflect recovery hapes with a fresh rise of 4½ ta 12p, hut Phicom shed a penny to 33p, after 31p, following disappointing first-half figures. Buyers showed interest in Cambridge Instruments, 12 higher at 292p, and Oxford Instruments, 13 up at 288p.

Vickers were outstanding in Engineerings, rising 10 to 265p, after 270p, in response to favourable circulars from stockbrokers James Capel and Phillips and Drew. TI reflected maunting speculation of a £4-plus bid from Evered which recently acquired a 12 per cent stake in the company and closed 11 higher at a 1985 peak of 351p; Evered improved 5 to 243p. ML firmed 10 to 275p following the impressive results. USM-quoted Hobson jumped 5 to 19p on the annauncement that Mr G. R. Nicholsan had dropped legal action against the campany and placed his 34.6 per cent stake with variaus investors.

Foods drifted lower in quiet trading. Tesco shed 5 ta 263p on lack af interest, while Nurdin and Peacock gave up 4 ta 158p and Dee Corporation softened 3 to 255p.

Disappointing third-quarter figures from its U.S. subsidiary left Grand Metropolitan a shade easier at 310p, after 312p.

Revived demand ahead of the interim results scheduled far next manth helped BTR rise 13 to 356p and feature the miscellaneous industrial leaders. Metal Box, at 490p, and Rickitt and Colman, at 515p, recorded Press-inspired improvements of 7 and 5 respectively, while Unilever retrieved ¼ at £10¼ fallowing comment an the interim results. Elsewhere, BBA jumped 8 to 92p in reply to the £9.8m acquisition of the rubber belting busines of Uniroyal Inc in the U.S., the interim figures are also due today. Confirmation af a £200m Tornada aeroplane deal with Oman helped British Aerospace move up 8 ta 353p and the new shares improve 5 to 178p; Dowty added 8 to 191p in sympathy. Speculative huying lifted Gieves 13 ta 121p and AGB Research firmed 7 to 217p in anticipatian af today's preliminary results. Recently favaured following Hanson Trust's acquisitian of a 7 per cent stake, Bowater improved afresh to 323p before closing 5 up on halance at 315p following news of the company's "soup in a carton" venture.

Demand in a restricted market lifted Samuelson Group 27 to 255p and Media Technology rose 7 to 172p in sympathy. Elsewhere in the Leisure sector, First Leisure firmed 7 to 318p following favourable Press mentian.

Motors sectors were featured by Jaguar, up 10 to 270p on a resurgence of American buying.

Leading Properties began cautiously, hut gradually improved to close around the day's best. Land Securities closed 4 higher at 304p, after 29p, and MEPC 3 dearer at 295p, after 291p. Elsewhere, Imry slipped 5 to 295p following slightly disappointing annual results.

Sentiment in Oils was not helped by Ultramar's second-quarter results, hut sympathetic losses posted immediately after the announcement were mostly regained and the oil majors settled with small irregular movements. Ultramar closed 8 off at 205p, after 200p. But Shell, fallowing a sizeahle turnover on Wall Street overnight, touched 680p hefare finishing 3 better on the day at 678p. Lasmo were a dull market throughaut and lost 12 to 253p.

After rising from 340p ta 460p on Tuesday following a bid approach from Enterprise Oil, USM-quoted Saxon rose a further 15 to 475p; the latter's offer for Charterhouse Petroleum has been extended until August 20. Elsewhere, news of a sharply increase annual loss left Engery Capital 6 lower at 58p. Among Irish oils, Bryson attracted late suppart and gained 8 to 78p.

Overseas Traders highlighted Tozer Kemsley and Millbourn which attracted speculative demand on vague hid hopes and rose 6 to 55p.

International concern over the extent of passible refarms in the Republic's racial segregatian policy continued to unsettle sentiment in South African mining markets. President Botha's statement to the Natal Congress of the incumbent National Party was ariginally expected ta herald wide-ranging changes in political laws, but aptimism has since abated fallowing comment from a number af official saurces close to Pretoria.

Business levels in Galds remained small with most operators reluctant ta commit fresh funds. Little activity was evident in major Continental centres which were winding-down in front of today's natianal holidays.

Losses among top-quality Galds extended to almost 2 points, as in Randfontein, at £60⅛. Buffels, £22¼ and Southvaal, £23¼ dipped 1¾ and 1¼ respectively. The more marginal issues showed Durban Deep another 57 lower at 740p, while Doornfontein gave up 49 to 876p. The FT Gald Mines index fell 13.9 to 329.6.

South African Financials also sustained modest losses with De Beers 8 aff at 362p. In Platinums, losses of 20 were common to Impala, 600p and Lydenburg, 405p. Londan-domiciled issues encountered sporadic selling and closed at the day's lowest. Consolidated Gold Fields fell 15 to 425p, while RTZ gave up 10 at 555p. Hampton Areas, on the ather hand, spurted 18 to 133p amind thaughts that the shares could benefit from institutional switching out af Cans Gold Fields and ather concerns with a large South African exposure.

Australians were quietly mixed as London mirrored subdued overnight Sydney and Melbourne. With the exception af Renison, 7 off at 280p, leading diversified issues held close ta overnight positions. Buyers displayed renewed interest in Eastcourt which advanced 8 for a two-day gain of 14 at 66p.

FINANCIAL TIMES STOCK INDICES

	Aug. 14	Aug. 13	Aug. 12	Aug. 9	Aug. 8	Aug. 7	year ago
Government Secs	83.56	83.58	83.71	83.29	83.41	83.12	80.22
Fixed Interest	88.56	88.58	88.58	88.44	88.47	88.28	83.06
Ordinary ♥	966.0	958.6	964.2	959.6	958.0	955.7	841.8
Gold Mines	329.6	343.5	349.1	337.2	338.3	310.9	560.7
Ord. Div. Yield	4.85	4.88	4.85	4.87	4.88	4.87	4.91
Earnings, Yld. % (full)	11.95	12.02	11.95	11.99	12.04	12.03	11.56
P/E Ratio (net) (*)	10.55	10.26	10.52	10.29	10.25	10.25	10.40
Total bargains (Est.)	20,647	22,996	21,362	20,069	16,923	18,325	16,571
Equity turnover £m.	—	347.54	361.24	364.05	366.8	313.41	263.36
Equity bargains	—	20,016	23,018	17,865	15,286	14,791	16,722
Shares traded (ml)	—	180.0	177.2	182.8	201.5	166.9	155.4

♥ 10 am 962.0. 11 am 962.0. Noon 962.4. 1 pm 963.7. 2 pm 963.9. 3 pm 963.8. 4 pm 964.3.

Day's High 966.0. Day's Low 959.9.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil=9.94.

HIGHS AND LOWS

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.87 (30/7)	78.02 (28/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	88.74 (30/7)	82.17 (28/1)	100.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.5 (22/1)	911.0 (26/7)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	535.9 (15/4)	228.1 (6/8)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY INDICES

	Aug. 15	Aug. 12
Daily Gilt Edged Bargains	158.5	156.0
Equities Bargains	129.7	149.1
Equities Value	702.5	730.2
5 day Average Gilt Edged Bargains	135.5	135.5
Equities Bargains	115.6	114.2
Equities Value	708.7	725.7

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (73)

BRITISH FUNDS (6)

CANADIANS (1)

Golden Sceptre Res

BANKS (4)

Algemen Bank Nedl, Lloyds Bank, English Assoc, Woodchester

BREWERS (4)

Clark (M.), Vaux, Greene King, Wolverhampton Dud

BUILDINGS (9)

Baggeridge Brick, Helical Bar, Blockleys, Marshalls Halifax, Brickhouse Dudley, Laing (J.), Cement-Roadstone, Tarmac, [illegible]

[illegible]

NEW LOWS (27)

[illegible]

LEISURE (1)

Viewplan

PAPER (2)

Croton Lodge, Peters (M.), LCA

SOUTH AFRICANS (2)

Messina, SA Breweries

TRUSTS (4)

Cons Venture 120W, Inv AB Beijer A, Martin Currie P, Mezzanine Cap Pf

MINES (1)

West Rand Cons

PLANTATIONS (1)

Moran Tea

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	29	13	65
Corpns. Dom. & Foreign Bonds	3	17	58
Industrials	380	199	889
Financial & Props.	149	44	359
Oils	24	18	83
Plantations	3	2	13
Mines	28	79	72
Others	92	47	108
Totals	708	419	1,647

European Options were not available for this edition

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Wed Aug 14 1985 — Tue Aug 13 — Mon Aug 12 — Fri Aug 9 — Year ago (approx.)

[illegible]

FIXED INTEREST

[illegible]

LONDON TRADED OPTIONS

[illegible]

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

[illegible]

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug 5	Aug 16	Nov 7	Nov 18
Aug 19	Sept 6	Nov 21	Dec 2
Sept 9	Sept 20	Dec 5	Dec 16

For rate indications see end of Share Information Service

Money was given for the call of Henry Wigfall, Cambium Venture Capital, Raine Industries, John Brown, ICC Oil and Gas, Energy Capital, Aberdeen Steak Houses, Hartebeest, Western Areas, Distillers, Johnson and Firth Brown, STC and Acorn Computer. Acorn Computer was first dealt in for the put. No doubles were reported.

ACTIVE STOCKS

[illegible]

YESTERDAY'S ACTIVE STOCKS

[illegible]

WORLD STOCK MARKETS

AUSTRIA

Aug. 14	Price Sch%	+ or –
Creditanstalt	348	–13
Goessor	498	+7
Interunfall	1,560	+60
Laenderbank	346	+6
Perlmooser	663	......
Steyr-Daimler	175	+2
Veitscher Mag	658	+18

BELGIUM/LUXEMBOURG

Aug. 14	Price Frs.	+ or –
B.B.L.	9,010	–15
Banq. Gen Lux	6,950	......
Banq. Int. A. Lux	0,600	......
Bekaert B.	6,400	–40
Ciment CBR	9,490	+50
Cockerill	911	–4
Delhaize	7,800	–150
EBES	2,880	......
Electrobel	6,460	......
Fabrique Nat	1,925	......
GB Inno BM	3,630	......
GBL (Brux)	1,885	–16
Gevaert	3,945	+40
Hoboken	6,490	+40
Intercom	2,200	+10
Kredietbank	8,900	......
Pan Hldgs	10,300	......
Petrofina	5,850	+90
Royale Belge	12,280	......
Soc. Gen. Banq	3,375	+15
Soc. Gen. Belge	1,785	......
Sofina	7,400	+10
Solvay	4,530	......
Stanwick Intl	1,850	......
Tractionel	6,820	–10
UCB	6,110	+50
Wagon Lits	6,020	+25

DENMARK

Aug. 14	Price Kr %	+ or –
Andelsbanken	325	+1
Baltic Skand	715	......
CopHandelsbank	320	+2
D. Sukkerfab	476	+5
Danske Bank	660	+6
De Danske Luft	1,200	......
East Asiatic	269	+12
Forenede Brygg	940	......
Forenede Damp	174	+8
GNT Hldg	448	......
I.S.S.B.	490	+6
Jyske Bank	725	......
Novo Ind's	1,685	+25
Privatbanken	336	......
Provinsbanken	698	......
Smidth (F.L.) B	256	......
Sophus Berend	1,125	+10
Superfos	412	......

FRANCE

Aug. 14	Price Frs.	+ or –
Emprunt 4½% 1973	1,605	–11
Emprunt 7% 1973	8,300	+25
Accor	269	......
Air Liquide	580	–4
BIC	492	–8
Bongrain	1,750	–96
Bouygues	783	+7
BSN Gervais	2,165	+5
CIT-Alcatel	1,195	+14
Carrefour	2,288	–11
Club Mediter'n	619	+2
Cie Bancaire	629	–5
Cofimeg	225.1	–3.9
Damart	1,887	–3
Darty	1,418	......
Dumex S.A.	810	......
Eaux (Cie Gen)	622	+1
Elf-Aquitane	194.8	......
Essilor	2,240	–6
Gen.Occidentale	726	–4
Imetal	88.6	+1.6
Lafarge Coppee	530	......
L'Oreal	2,248	+23
Legrand	2,120	–5
Maisons Phenix	183	+2.6
Matra S.A.	1,755	+7
Michelin B	1,125	–25
Midi (Cie)	2,948	–82
Moet-Hennessy	1,821	–5
Moulinex	77.7	+2.2
Nord Est	21	–2
Pernod Ricard	695	......
Perrier	475	–2
Petroles Fra	226.5	–0.5
Peugeot S.A.	360.5	–1
Printemps Au	284	–6
Radiotech	290	–9
Redoute	1,480	......
Roussel-Uclaf	1,515	......
Sefimeg	348	......
Skis Rossignol	1,360	–20
Telemec Elect	2,580	–20
Thomson CSF	555	+7
Valeo	312	+1

GERMANY

Aug. 14	Price Dm.	+ or –
AEG-Telef	131.6	+9.8
Allianz Vers	1,385	......
BASF	225.1	+1.4
Bayer	225	+1
Bayer-Hypo	560	......
Bayer-Verein	694	+6
BHF-Bank	318.5	+8.6
BMW	439	+1.2
Brown Boveri	238	+3
Commerzbank	208.6	–0.3
Cont'l. Gummi	148	–1
Daimler-Benz	1,073.5	+2.5
Degussa	380	+4
D'scho Babcock	159	+8.5
Deutsche Bank	653.6	+7
Dresdner Bank	267	+1.5
GHH	178	–0.6
Hochtief	645	–3
Hoechst	221.5	+0.3
Hoesch Werke	110.6	......
Holzmann (P)	452	+2
Horten	184.5	+0.5
Hussel	337.2	–1.8
Karstadt	237.2	–1.1
Kaufhof	258	......
KHD	279.5	+1.5
Kloeckner	61	+0.1
Linde	495xr	–0.9
Lufthansa	222.6	+3.5
MAN	162	–0.6
Mannesmann	190.5	+8.3
Mercedes Hld	789	......
Metallgesell	260	+5
Muench Rueck	1,750	+31
Nixdorf	535	+1
Porsche	1,285.5	+0.5
Preussag	278.5	+3.5
Rhein West Elect	185	–0.3
Rosenthal	952	–1
Schering	464	+1.5
Siemens	544	–0.5
Thyssen	122	+8.3
Varta	215	–5
Veba	985	+2
V.E.W.	141.2	+4.2
Verein-West	553	+1
Volkswagen	620	+2

ITALY

Aug. 14	Price Lira	+ or –
Banca Com'le	22,850	–20
Bastogi-IRBS	225	......
B.I-Invest	5,700	–100
Centrale	6,158	–42
Credito Varesino	4,490	–9
Fiat	6,991	–64
Finsider	......	......
Generali Assicur.	54,210	–800
Italcementi	44,500	–1850
La Rinascente	850	–5
Montedison	2,006	–25
Olivetti	5,285	–112
Pirelli Co	5,910	+50
Pirelli Spa	3,010	–5
Saipem	5,981	–19
Snia BPD	3,260	–89
Toro Assic.	17,050	–200
do Pref	12,680	–320

NETHERLANDS

Aug. 14	Price Fls	+ or –
ACF Holding	248.5	+1.5
AEGON	97.6	+1.6
Ahold	248.2	+4.2
AKZO	122.4	+0.9
ABN	622xr	+5
AMEV	265	+0.6
AMRO	87.6	......
Bredero Cert	164.5	+1
Bos Kalis Westm	17.1	–0.7
Buehrmann-Tet	102.6	+0.7
Calland Hldgs	38.7	+0.2
Dordtsche Pet'm	170.8	+0.6
Elsevier-NDU	151	–0.5
Fokker	88.6	+3.2
Gist Brocades	214.3	+2.8
Heineken	150.5	+1.5
Hoogovens	66.2	+0.6
Int Mueller	67.4	+1
KLM	59	......
Naarden	48.7	–0.8
Nat Ned Cert	74.8	+1.6
Ned Mid Bank	916.5	+1
Nedlloyd	175	–1.5
Oce Grinten	557	–1
Ommeren (Van)	26.5	–0.3
Pakhoed	68.5	–0.4
Philips	46.2	–0.7
Robeco	74.8	+0.2
Rodamco	132.6	+0.8
Rolinco	68.5	+0.2
Rorento	46.8	+0.2
Royal Dutch	188.1	–0.9
Unilever	328	–1.5
VMF Stork	241	+0.7
VNU	215.5	+3
Wessanen	173.5	–3
West Utr Bank	102.6	+1

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Aug. 14	Price Kroner	+ or –
Bergens Bank	142.5	–1.5
Borregaard	408	+8
Christiania Bank	139.5	–0.5
DenNorske Cred	144	–0.5
Elkem	128	–3
Kosmos	224	–9
Kvaerner	163	......
Norsk Data	650	+1
Norsk Hydro	108.5	......
Storebrand	275.5	–0.5

SPAIN

Aug. 14	Price Pts%	+ or –
Bco Bilbao	348	+3
Bco Central	316	......
Bco Exterior	202	–1
Bco Hispano	148	......
Bco Popular	340	......
Bco Santander	341	......
Bco. Vizcaya	446	–1
Dragados	130	+0.5
Hidrola	76.5	+0.8
Iberduero	91.8	+0.2
Petroleos	125.9	–1.3
Telefonica	117	......

SWEDEN

Aug. 14	Price Kroner	+ or –
AGA	114	+3
Alfa-Laval B	187	......
ASEA (Free)	295	–10
Astra (Free)	425	–10
Atlas Copco	108	......
Cardo (Free)	243	......
Cellulosa	126	......
Electrolux B	274	+1
Ericsson B	225	+1
Esselte	360	......
Mo och Domsjo	163	+1
Pharmacia	187	......
Saab Scania Free	420	......
Sandvik	405	–5
Skandia	634	–9
Skan Enskilda	56	......
SKF	224	–1
St Kopparbergs	140	–4
Sonesson	150	–5
Sven Handlesbn	171	+1
Swedish Match	187	–4
Volvo B (Free)	253	+20

SWITZERLAND

Aug. 14	Price Frs.	+ or –
Adia Intl	6,490	–10
Alusuisse	805	–7
Bank Leu	5,790	+40
Brown Boveri	1,670	+20
Ciba Geigy	3,270	+15
do. (Part Certs)	2,556	+30
Credit Suisse	2,985	–5
Elektrowatt	3,230	–10
Fischer (Geo.)	900	+10
Hoff-Roche PtCts	94,500	+500
Hoff-Roche 1/10	9,450	+50
Jacobs Suchard	6,550	+60
Jelmoli	2,600	+50
Landis & Gyr	1,900	+20
Nestle	6,875	+115
Oer-Buehrle	1,450	......
Pirelli	348	–1
Sandoz (Br)	8,850	–50
Sandoz (PtCts)	1,870	+35
Schindler (PtCts)	830	–5
Sika	1,560	–15
Surveillance A	5,230	+40
Swissair	1,455	+5
Swiss Bank	469	+3
Swiss Reinsce	12,650	+60
Swiss Volksbk	1,730	+10
Union Bank	4,285	+5
Winterthur	4,475	+35
Zurich Ins	5,500	......

AUSTRALIA

Aug. 14	Price Aust $	+ or –
ANZ Group	5.18	–0.02
Alliance Oil Dev	1.05	......
Ampol Pet	2.1	......
Ashton	1.18	+0.01
Aust. Cons. Ind	2.77	+0.05
Aust. Guarantee	2.9	+0.03
Aust. Nat. Inds	2.72	–0.02
APM	2.98	–0.02
Bell Group	8.0	+0.1
Bell Res	7.1	+0.1
Bond Corp Hldgs	1.54	–0.01
Boral	3.57	+0.05
Bougainville	1.95	–0.05
Bramles Inds	3.98	+0.03
Bridge Oil	2.85	+0.06
B.H. Prop	7.0	......
CRA	8.0	......
CSR	3.18	–0.02
Castlemaine Tys	7.68	......
Coles (G.J.)	4.1	......
Comalco "A"	1.98	......
Consolidated Pet	0.38	......
Costain Aust	1.8	......
Dunlop Olympic	2.58	+0.02
Elders IXL	3.20	+0.01
Energ Res	1.7	......

AUSTRALIA (continued)

Aug. 14	Price Aust $	+ or –
Gen. Prop. Trust	2.18	–0.02
Hardie (James)	6.15	–0.02
Hartogen Energy	2.25	+0.05
Herald W'ytimes	4.98	–0.02
ICI Aust	2.17	+0.02
Jimberlana F.P.	0.96	......
Kia Ora Gold	0.15	–0.01
Land Lease	6.98	–0.02
MIM	2.9	+0.06
Mayne Nickless	3.18	+0.03
Myer Emporium	3.41	+0.01
Nat. Aust. Bank	4.7	......
News	7.0	......
Nicholas Kiwi	1.9	......
North Bkn Hill	2.42	–0.06
Oakbridge	1.23	......
Pancontinental	1.97	......
Pioneer Conc	2.04	+0.01
Poseidon	4.6	+0.05
Queensland Coal	1.76	–0.01
Reckitt & Colman	6.75	+0.05
Repco	1.67	–0.01
Santos	5.84	–0.06
Smith (Howard)	5.56	......
Thos. Nationwide	2.28	+0.02
Tooth	6.8	–0.1
Vamgas	4.0	......
Western Mining	4.28	+0.01
Westpac Bank	4.77	......
Woodside Petrol	1.50	......
Woolworths	3.58	+0.03
Wormald Intl	3.92	......

HONG KONG

Aug. 14	Price H.K.$	+ or –
Bank East Asia	22.6	–0.4
Cheung Kong	18.5	+0.1
China Light	16.1	......
Evergo	0.91	–0.01
Hang Seng Bank	46	......
Henderson Land	2.10	......
HK China Gas	11	......
HK Electric	8.6	–0.05
HK Kowloon Wh.	7.6	+0.05
HK Land	5.5	–0.05
HK Shanghai Bk.	7.75	......
HK Telephone	9.85	+0.05
Hutchison Wpa	28.2	+0.4
Intnl. City	0.99	+0.04
Jardine Math	13.6	......
New World Dev	7.7	+0.1
Orient O'seas	2.0	–0.05
SHK Props	13.2	......
Shell Elect	1.3	......
Swire Pac A	25.3	......
TV—B	7.8	......
World Int. Hldgs	2.4	......

JAPAN

Aug. 14	Price Yen	+ or –
Ajinomoto	1,160	......
Alps Electric	1,360	......
Amada	775	–22
Asahi Chem	889	+5
Asahi Glass	810	......
Bridgestone	540	+6
Canon	970	+17
Casio Comp	1,630	......
Chugai Pharm	230	+4
Citizen	408	+2
Daiei	665	–10
Dai Nippon Ptg	1,050	......
Daiwa House	810	+25
Ebara	451	–8
Eisai	1,320	–20
Fanuc	7,670	......
Fuji Bank	1,550	–20
Fuji Film	2,020	+60
Fujisawa	870	+12
Fujitsu	930	+12
Green Cross	2,930	+10
Hasegawa	531	+19
Heiwa Real Est	799	+14
Hitachi	712	+7
Hitachi Credit	1,040	–10
Honda	1,390	+30
House Food	788	–7
Hoya	1,840	+30
Itoh (C)	420	–2
Ito. Yokado	2,750	+10
Iwatsu	821	+6
JACCS	340	......
JAL	6,190	–410
Jusco	840	–10
Kajima	473	+28
Kao Soap	868	......
Kashiyama	720	+15
Kirin	691	+11
Kokuyo	936	–16
Komatsu	507	+8
Konishiroku	875	+6
Kubota	345	......
Kumagai	818	+33
Kyocera	3,810	......
Maeda Const	920	+28
Makino Milling	835	–10
Makita	930	+9
Marubeni	522	–5
Marudai	645	+2
Marui	1,400	+40
MEI	1,310	+10
M'ta Elec Works	848	+28
M'bishi Bank	1,580	+20
M'bishi	810	+10
M'bishi Elect	360	+1
M'bishi Estate	904	+23

JAPAN (continued)

Aug. 14	Price Yen	+ or –
MHI	329	–1
Mitsui	420	+8
Mitsui Estate	932	+14
Mitsukoshi	606	+6
NGK Insulators	708	+5
Nihon Cement	612	–7
Nippon Denso	1,280	......
Nippon Elect	975	+21
Nippon Express	494	+12
Nippon Gakki	1,270	+20
Nippon Kokan	146	–2
Nippon Oil	839	+1
Nippon Seiko	465	+4
Nippon Shimpan	647	–9
Nippon Steel	170	......
Nippon Suisan	581	......
NTV	10,400	+10
Nippon Yusen	299	–1
Nissan Motor	620	–1
Nisshin Flour	420	......
Nisshin Steel	167	–2
Nomura	1,180	......
Olympus	1,010	+10
Orient Leasing	2,550	+200
Pioneer	1,910	–40
Renown	778	......
Ricoh	856	–4
Sankyo	1,160	+50
Sanyo Elect	405	–5
Sapporo	468	+3
Sekisui Prefab	829	+28
Seven-Eleven	8,250	......
Sharp	802	–3
Shimadzu	670	......
Shionogi	770	+19
Shiseido	1,060	–10
Sony	3,740	+110
Stanley	732	–8
S'tomo Bank	1,800	+20
S'tomo Elect	712	–8
S'tomo Marine	660	+8
S'tomo Metal	150	–1
Taihei Dengyo	530	–10
Taisei Corp	348	+18
Taisho Pharm	1,130	–10
Takeda	780	+7
TDK	4,260	+90
Teijin	471	+5
Teikoku	650	......
Tokio Marine	847	–5
TBS	865	+3
Tokyo Elect Pwr	2,040	+40
Tokyo Gas	917	–1
Tokyo Sanyo	610	–8
Tokyo Style	1,030	......
Tokyu Corp	490	+13
Toppan Print	800	......
Toray	500	+4
Toshiba Elect	346	......
TOTO	805	+35
Toyo Seikan	1,170	+30
Toyota Motor	1,180	......
Victor	1,560	+10
Wacoal	717	+2
Yamaha	685	+2
Yamanouchi	3,100	–30
Yamazaki	785	–6
Yasuda Fire	540	+19
Yokogawa Bdge	749	+41

SINGAPORE

Aug. 14	Price $	+ or –
Boustead Hldgs	1.5	+0.03
Cold Storage	2.66	+0.02
DBS	4.96	–0.04
Genting	6.6	+0.1
Haw Par. Bros	2.12	+0.03
Hong Leong Fin	2.44	+0.06
Inchcape Bhd	2.23	......
Keppel Shipyard	1.18	+0.02
Malay Banking	6.75	+0.05
Malay Utd. Ind	2.46	+0.06
Multi Purpose	0.85	+0.01
OCBC	8.05	+0.05
OUB	2.6	+0.01
Public Bank	1.41	+0.04
Sime Darby	1.85	+0.02
Singapore Press	6.05	+0.08
Straits Trdg	5.16xc	+0.06
Tat Lee Bk	2.44	+0.01
UOB	3.7	+0.06

SOUTH AFRICA

Aug. 14	Price Rand	+ or –
Abercom	1.75	......
AE&CI	7.9	–0.1
Allied Tech	61.5	–1.5
Anglo Am Coal	63.75	......
Anglo Am Corp	28.7	–0.2
Anglo Am Gold	167.5	+0.6
Barclays Bank	17.5	–0.1
Barlow Rand	10.5	......
Buffels	68.5	–0.5
CNA Gallo	2.4	......
Currie Finance	3.86	......
De Beers	11.1	+0.05
Driefontein	45	–1
FS Geduld	42.5	–0.5
Gold Fields SA	81	......
Highveld Steel	4.75	......
Nedbank	13.76	–0.25
OK Bazaars	15.75	–0.35
Protea Hldgs	2.16	......
Rembrandt	32	......
Rust Plat	16.25	–0.06
Safren	14	–0.25
Sage Hldgs	9.5	......
SA Brews	7.1	–0.05
Smith (CG)	22.75	–0.25
Tongaat Hule 1s	6.5	......
Unisec	5.00	......

CANADA

TORONTO
Prices at 2.30pm August 14

Sales	Stock	High	Low	Close	Chng
[illegible]					
8	C Util 9	$17¾	17¾	17¾	–¼
200	Cara	$18⅞	18⅞	18⅞	
1100	Celanese	$10	10	10	
12800	Centrl Tr	$14⅞	14⅝	14⅞	+⅛
52205	Cineplex	$9⅞	9¾	9⅞	+¼
55310	C Distb A	$7⅞	7⅝	7¾	
77950	CDistb B f	$7¼	7⅛	7⅛	–⅛
7120	CTL Bank	$11¼	11	11⅛	
2700	Conventrs	$6⅞	6¾	6¾	–⅛
7000	Coseka R	295	290	295	+1
4100	Czarron A	$14⅞	14⅝	14⅞	+¼
1134	Crownx	$22	21⅝	22	+⅜
3800	Czar Res	170	166	170	+4
[illegible]					
7580	Inland Gas	$21	20¾	21	+¼
4250	Intl Thom	$9⅝	9½	9⅝	+⅛
526	Intpr Pipe	$42⅝	42½	42⅝	–⅛
500	Iveco B	$21½	21½	21½	
7700	Jannock	$16⅝	16½	16⅝	+⅛
200	Kelsey H	$42	42	42	+1
1501	Kerr Add	$16	15¾	15¾	–¼
1151	Labatt	$28⅜	28¼	28¼	
58700	Lacana	$12⅞	12¾	12⅞	
94378	Lac Mnrls	$34¼	34	34¼	+¼
168	Loblaw Co	$20⅛	20⅛	20⅛	–⅛
2500	Lumonics	$21¾	21½	21¾	+¼
70	MDS H A	$17⅞	17⅞	17⅞	+⅜
[illegible]					
56210	Southam	$16⅞	16⅝	16⅝	+⅛
3237	Spar Aero f	$30	29¾	29⅞	–¼
15894	Stelco A	$22¼	22⅛	22⅛	–⅛
2000	Sulpetro	195	195	195	+5
11400	Sydney O	26	25½	26	+½
4000	Talcorp	100	100	100	
100	Tara	$20½	20½	20½	
2752	Teck Cor	$14½	14⅛	14⅛	
84598	Teck B f	$14⅞	14½	14¾	+⅛
25765	Tex Can	$32¼	31⅝	32¼	+½
7967	Thom N A	$22⅛	21⅝	21⅝	–½
6639	Tor Dm B	$23¼	23	23	
87025	Torstar B 1	$28⅞	28½	28¾	+½
208	Traders A 1	$21½	21½	21½	–¼

MONTREAL
Closing prices August 13

Sales	Stock	High	Low	Close	Chng
[illegible]					
10730	BombrdrB	$14⅝	14½	14½	–⅛
5775	CB Pak	$21¼	21⅛	21⅛	
9944	Cascades	$18½	18¼	18½	
5750	ConBath	$18¾	18¾	18¾	–⅛
2593	DomTxtA	$11¾	11⅝	11⅝	–⅛
751805	Gaz Metro	$12	11⅜	11⅞	–⅛
405	MntTrst	$18	15¾	16	+¼
25290	NatBk Cda	$21⅛	20⅞	21	+¼
48574	Power Corp	$19⅝	19⅜	19½	
26975	RollandA	$20⅛	19¾	19¾	+¼
8449	Royal Bank	$31	30¾	30¾	
700	RoyTrstco	$21⅛	21⅛	21⅛	+¼
2550	SteinbrgA	$25	24¾	25	

Total Sales 3,201,923 shares

Indices

NEW YORK-DOW JONES

	Aug 14	Aug 13	Aug 12	Aug 8	Aug 8	Aug 7	1985 High	1985 Low	Since Compilation High	Since Compilation Low
Industrials	1,320.88*	1,315.30	1,314.29	1,320.79	1,320.88	1,325.04	1359.54 (19/7)	1184.96 (4/1)	1359.54 (19/7/85)	41.22 (2/7/32)
Transport	673.92*	673.88	675.21	678.89	681.41	678.49	702.6 (17/7)	563.03 (4/1)	702.60 (11/7/85)	12.32 (8/7/32)
Utilities	155.88*	155.37	154.86	155.08	155.47	153.11	168.81 (12/7)	146.54 (4/1)	168.81 (12/7/85)	10.5 (28/4/42)
Trading vol		80.3m	77.3m	81.75m	102.8m	100.0m	–	–	–	–

	Aug 8	Aug 2	July 26	Year Ago (Approx)
Ind Div Yield %	4.85	4.53	4.52	4.86

STANDARD AND POORS

	Aug 14	Aug 13	Aug 12	Aug 9	Aug 8	Aug 7	1985 High	1985 Low	Since Compilation High	Since Compilation Low
Industrials	208.78*	209.28	208.85	208.43	210.22	209.28	215.83 (19/7)	128.24 (4/1)	215.83 (19/7/85)	3.62 (30/6/32)
Composite	187.70*	187.30	187.63	188.32	188.85	187.68	195.65 (17/7)	163.68 (4/1)	195.66 (17/7/85)	4.40 (1/6/32)

	Aug 7	July 31	July 24	Year Ago (Approx)
Ind div yield %	3.74	3.67	3.66	3.92
Ind. P/E Ratio	11.84	12.03	12.07	11.45
Long Gov Bond Yield	10.73	10.76	10.64	12.60

N.Y.S.E. ALL COMMON

Aug 14	Aug 13	Aug 12	Aug 8	1985 High	1985 Low
108.79*	108.54	108.67	109.06	113.49 (11/7)	94.60 (4/1)

RISES AND FALLS

	Aug 13	Aug 12	Aug 9
Issues traded	1,984	1,984	1,971
Rises	688	557	687
Falls	776	942	840
Unchanged	520	485	444

New York Active Stocks

	Stocks Traded	3.00p.m. Price	Change on Day
Revlon	2,718,700	45⅝	+2
Mid-So Util	1,787,400	10½	–½
ATT	1,485,600	20⅝	–⅜
Colgate	1,456,000	27½	+⅛
Phil Ele	1,415,300	18⅛	–⅛
Occ Petr	1,414,100	32⅝	–⅛
Utd Energy	1,171,900	39⅞	–⅛
Beatrice Co	888,500	34⅝	+⅜
N Med Ent	722,600	26⅝	–⅛
Pantry Pride	717,600	7⅜	+⅛

Advances 821 Declines 881

TORONTO	Aug 14	Aug 13	Aug 12	Aug 9	1985 High	1985 Low
Metals & Minls	2,074.8*	2,071.22	2,070.40	2,087.8	2190.7 (13/2)	1896.8 (4/1)
Composite	2,780.4*	2,776.75	2,776.01	2,779.4	2804.6 (26/7)	2348.5 (8/1)
MONTREAL Portfolio	136.86*	135.91	135.93	136.42	139.33 (19/7)	117.00 (4/1)

* Indicates pre-close figure

	August 14	August 13	August 12	August 6	1985 High	1985 Low
AUSTRALIA						
All Ord. (1/1/80)	958.4	954.2	949.1	941.7	958.4 (14/8)	715.6 (1/1)
Metals & Mins. (1/1/80)	553.3	552.4	547.6	538.1	583.8 (20/5)	382.5 (1/1)
AUSTRIA						
Credit Aktien (2/1/62)	87.41	95.79	95.26	95.58	105.73 (17/6)	85.21 (24/1)
BELGIUM						
Brussels SE (1/1/80)	2320.44	2318.87	2319.11	2311.24	2327.23 (29/7)	2090.7 (18/1)
DENMARK						
Copenhagen SE (3/1/83)	n/a	213.16	n/a	214.37	217.86 (6/8)	158.44 (8/1)
FRANCE						
CAC General (31/12/82)	218.6	217.0	217.5	217.50	233.1 (31/5)	180.6 (3/1)
Ind Tendance (28/12/84)	122.9	123.3	124.1	124.40	138.4 (31/5)	100.1 (3/1)
GERMANY						
FAZ Aktien (31/12/58)	481.87	479.79	479.30	48.22	502.62 (5/7)	382.39 (3/1)
Commerzbank (1/12/53)	1420.00	1412.5	1407.1	1413.1	1488.2 (5/7)	1111.8 (3/1)
HONG KONG						
Hang Seng Bank (31/7/64)	1691.73	1687.09	1689.43	1676.51	1699.43 (12/8)	1220.74 (2/1)
ITALY						
Banca Comm. Ital. (1972)	361.02	354.80	357.43	362.58	385.61 (7/8)	228.56 (2/1)
JAPAN**						
Nikkei-Dow (16/5/49)	12419.84	12326.71	12372.88	12401.19	13040.10 (8/7)	11545.2 (5/1)
Tokyo SE New (4/1/68)	1000.80	994.51	999.13	1061.25	1065.91 (8/7)	918.93 (4/1)
NETHERLANDS						
ANP-CBS General (1970)	216.1	215.7	214.8	215.1	220.9 (8/7)	185.8 (3/1)
ANP-CBS Indust (1970)	190.0	189.1	188.4	188.8	190.8 (14/8)	147.9 (3/1)
NORWAY						
Oslo SE (4/1/83)	345.07	344.17	340.94	340.57	349.85 (5/8)	288.19 (2/1)
SINGAPORE						
Straits Times (1966)	751.56	745.92	751.86	(c)	852.85 (7/3)	717.95 (15/7)
SOUTH AFRICA						
JSE Gold (28/9/78)	–	935.7	924.4	902.8	1140.8 (15/4)	836.1 (11/2)
JSE Indust (28/9/78)	–	814.4	840.5	932.9	1036.8 (17/7)	787.1 (7/3)
SPAIN						
Madrid SE (28/12/84)	110.85	110.27	110.18	110.01	117.41 (4/2)	101.48 (2/1)
SWEDEN						
Jacobson & P (1/1/58)	1342.01	1319.38	1346.42	1307.16	1486.98 (11/2)	1285.32 (8/7)
SWITZERLAND						
Swiss Bank Cpn. (31/12/58)	459.5	456.5	457.5	456.1	480.1 (8/7)	386.7 (3/1)
WORLD						
Capital Intl. (1/1/70)	–	217.1	217.3	216.5	224.3 (17/7)	184.6 (4/1)

* Indicates pre-close figure ** Saturday August 3 Japan Nikkei Dow 12492.27 TSE 1013.86 Base values of all indices are 100 except Australia All Ordinary and Metals – 500 NYSE All Common – 50 Standard and Poors – 10† and Toronto Composite and Metals – 1000 Toronto indices based 1975 and Montreal Portfolio 4/1/83 † Excluding bonds ‡ 400 Industrials § 400 Industrials plus 40 Utilities Financials and 20 Transports c Closed u. Unavailable

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

Continued from Page 29

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

LONDON

Chief price changes
(In pence unless otherwise indicated)

RISES

Acorn Computer	12	+4½
BBA	92	+ 8
BTR	356	+ 13
Bass	563	+ 13
Bell (Arthur)	260	+ 7
British Aerospace	353	+ 8
Com. Union	229	+ 13
Dowty	191	+ 8
Equity & Law	268	+ 8
Gieves	121	+ 13
Halstead (J)	97	+ 10
Hampton Areas	133	+ 13
Hobson	19	+ 4
Jaguar	270	+ 10
ML Holdings	275	+ 10
Royal Insurance	703	+ 20
Samuelson	255	+ 27
Saxon Oil	475	+ 15
Security Centres	128	+ 6
Smith (WH)	254	+ 10
TI	351	+ 11
Tozer Kemsley	55	+ 8
United Scientific	180	+ 15
Vaux	320	+ 10
Vickers	[illegible]	+ 10
Vinten	165	+ 17

FALLS

BSR Int	68	– 7
Cons Gold Fields	425	– 15
Energy Capital	56	– 6
Ultramar	205	– 8

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23⅜	16	AAR	.56	2.9	14	80	21⅝	21½	21¾	+¼
17⅞	9¾	AGS			13	153	16⅛	15⅞	15⅞	-⅛
16½	8⅞	AMCA				8	12¼	12¼	12¼	-⅛
21½	13	AMF	.25i		95	538	13⅜	13¼	13¼	
50¾	24⅞	AMR			9	2003	49⅜	48½	48¾	-⅛
23	18⅝	AMR pf	2.18	9.8		17	22¾	22¾	22¾	
14¼	7⅜	APL				26	16	10	10	+½
91⅛	43¼	ASA	2	4.5		840	44⅞	44⅛	44⅛	-⅝
27	12½	AVX	.32	2.3	10	211	13¾	13⅝	13⅝	-⅛
28⅛	17¾	AZP	2.72	11.	7	1042	25	24⅞	25	
60	36¾	AbtLab	1.40	2.5	19	1066	56¼	55⅝	56	+⅛
25⅞	20	AccoWd	.50	2.2	17	171	23⅛	22⅞	22⅞	-⅛
24¾	12½	AcmeC	.40	2.9		327	15⅜	15	15⅜	+⅜
10½	7⅜	AcmeE	.32b	4.1	10	34	8	7⅞	7⅞	
19	15½	AdaEx	1.82e	11.		86	17½	17¼	17½	
29	13¼	AdmMl	.32	1.0	7	34	17⅛	16⅞	17⅛	+¼
19½	8⅝	AdvSys	.53t	4.3	10	80	12¼	12	12¼	+¼
41⅛	22⅛	AMD			17	2701	28¾	28	28¾	+⅞
12⅛	0⅞	Advest	.12	1.3	20	449	9⅛	8¾	9⅛	+⅜
15⅞	9½	Aerflex			13	58	14⅜	14¼	14⅜	
49⅝	32⅝	AetnLf	2.34	5.7	16	1186	46⅝	45⅞	46¼	+⅜
57⅛	52¾	AetL	pf6.79e	10.		80	56⅝	56¼	56⅝	+⅛
37⅝	16¼	Ahmns	1.20	3.6	6	286	32⅛	31⅞	32	
3⅝	2½	Alleen				80	3⅛	[illegible]	[illegible]	[illegible]

Continued on Page 29

NYSE COMPOSITE CLOSING PRICES

Continued from Page 28

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begins with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE CLOSING PRICES

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

Continued on Page 27

FINANCIAL TIMES
WORLD STOCK MARKETS

WALL STREET

Genuine support lacking

A CAUTIOUS improvement in bond and stock prices yesterday owed much to technical factors and little to genuine investment support. Bonds moved higher as last week's $21.75bn in new Treasury issues was satisfactorily absorbed, *writes Terry Byland in New York.*

The brighter trend spread into the stock market, which had shown signs of being oversold. But in both sectors, institutional support remained thin, and the advance soon ground to a halt.

At the close the Dow Jones industrial average was up 1.68 at 1,316.98.

The transportation average also gained ground. The broad range of the market was firm, and special situations continued to provide many features.

A sharp rise in Federal funds only reflected the traditional bank settlement operations. Early gains of half a point in bonds reflected belated satisfaction with the sluggish trend of July's retail sales. But traders remained unconvinced that the credit markets bad changed direction.

Blue chips opened firmly but, still lacking any solid buying orders from the pension funds and other hig investors, slipped back from their best levels.

AT&T weakened by $⅛ to $20¾ on reports that substantial lay-offs may be made at AT&T Information Systems, the computer and office telephone equipment subsidiary.

Motor stocks also lagged in the market after early-August sales reports seemed to confirm the weaker trend disclosed in the Commerce Department's retail sales data.

At $86⅞, General Motors shed $¼. Ford, at $43¾, was $⅛ off and Chrysler, at $34¾, was down $¼.

However, F. W. Woolworth gained $½ to $45⅞ after its second-quarter trading report confirmed a rising earnings trend. Other retail issues were slightly better, except for Federated Department Stores, down $¼ at $57½.

IBM, $⅜ up at $127 was off its top, with Honeywell, $⅜ up at $63⅞, the only other main-frame manufacturer to follow suit. Control Data managed a rally of $¼ to $23¼.

Union Carbide opened higher as investors continued to respond favourably to GAF's disclosure that it holds more than 5 per cent of the equity. But buying soon faded as Wall Street reacted to news of a further, albeit minor, mishap at the West Virginia plant. Leaving Union Carbide stock $⅛ off at $52.

Turnover in Pan Am fell after the past week's burst of activity, but the price eased by only $⅛ to $8 as speculators continued to hope for a bid approach.

American Air, $¼ up at $49, responded to the agreement with the workforce. Other airline issues were firm.

Stock in CBS, the broadcasting network group, jumped $2½ to $114½, a gain of $9 since Loews Corporatioo said it wanted to increase its stake.

Despite the assurance by Loews that it has bought CBS stock for investment purposes, Wall Street continues to look for a new bid for the TV group, now that Mr Ted Turner has turned his attention to MGM-UA, up $¼ at $25.

Also strong again on takeover hopes was Revlon, the cosmetics group, which jumped $1⅞ to $45¾. Nearly 2m Revlon shares were traded as speculators predicted a bid worth about $55 a share from Pantry Pride, which is itself controlled by MacAndrews & Forbes, a privately held group.

Other features included Commodore International, the manufacturer of home computers, down $⅝ to $10¼ after the board predicted a loss for the final quarter as heavy inventory write-downs – the bugbear of the industry – hurt earnings.

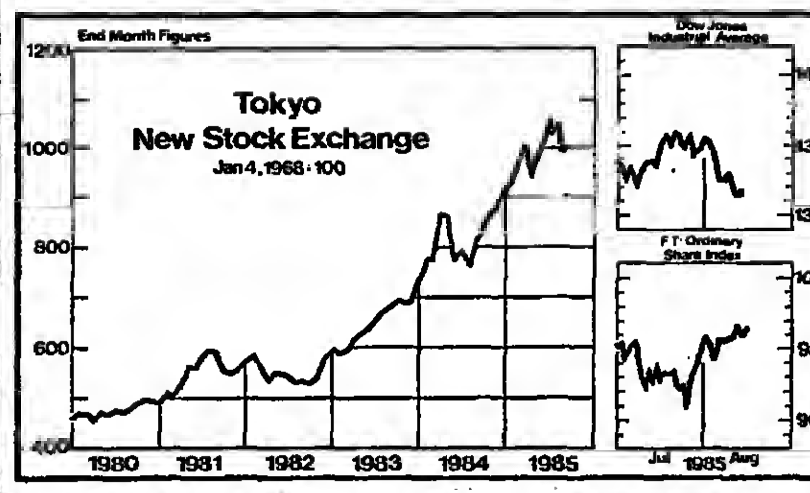
Pharmaceuticals returned to favour, led by Merck, the leading name, which jumped $1¼ to $114½. Also strong was Upjohn, a further $1¼ at $112½ as investors continued to respond to bopes of a bright commercial future for its antibaldness treatment.

Earnings-related features included Ogden, down $⅛ at $32½ on lower second-quarter profits, and Beker Industries, $¼ off at $2⅞ after a substantial increase in losses.

In the credit markets, the short end was kept busy by technical considerations linked to the banking settlement. The Federal Reserve, as expected, smoothed cash flows, first with $1.5bn in customer repurchases wben Federal funds stood at 8⅞ per cent and then with purchases of both notes and bills.

Federal funds remained above 8 per cent, touching 9 per cent at one stage, but other short-term rates paid little heed. The bond market retained its early gains but interest died away after luncb.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Aug 14	Previous	Year ago
NEW YORK			
DJ Industrials	1,316.98	1,315.30	1,214.11
DJ Transport	673.10*	673.69	517.93
DJ Utilities	155.78*	155.37	128.28
S&P Composite	187.63*	187.30	164.42
LONDON			
FT Ord	966.0	959.6	841.8
FT-SE 100	1,293.1	1,285.1	1,091.8
FT-A All-share	623.7	620.62	511.08
FT-A 500	680.74	677.13	554.94
FT Gold mines	329.6	343.5	560.7
FT-A Long gilt	10.3	10.28	10.41
TOKYO			
Nikkei-Dow	12,419.64	12,326.71	10,360.9
Tokyo SE	1,000.0	994.51	800.84
AUSTRALIA			
All Ord.	956.4	954.2	727.8
Metals & Mins.	553.3	552.4	464.8
AUSTRIA			
Credit Aktien	97.41	95.76	53.18
BELGIUM			
Belgian SE	2,320.44	2,319.87	–
CANADA			
Toronto			
Metals & Minls	2,074.80*	2,071.22	1,992.00
Composite	2,780.40*	2,776.75	2,337.40
Montreal			
Portfolio	136.06*	135.91	115.60
DENMARK			
SE	n/a	213.16	195.66
FRANCE			
CAC Gen	216.0	217.0	162.7
Ind. Tendance	122.9	123.3	86.9
WEST GERMANY			
FAZ-Aktien	481.57	479.79	339.65
Commerzbank	1,420.0	1,412.5	984.4
HONG KONG			
Hang Seng	1,691.73	1,687.09	904.81
ITALY			
Banca Comm.	351.02	354.80	213.16
NETHERLANDS			
ANP-CBS Gen	216.1	215.7	161.2
ANP-CBS Ind	190.0	189.1	129.4
NORWAY			
Oslo SE	345.07	344.17	262.14
SINGAPORE			
Straits Times	751.56	745.92	954.18
SOUTH AFRICA			
JSE Golds	–	935.7	946.3
JSE Industrials	–	914.4	819.4
SPAIN			
Madrid SE	110.66	110.27	96.16
SWEDEN			
J & P	1,342.01	1,319.38	1,517.08
SWITZERLAND			
Swiss Bank Ind	459.5	456.5	376.9
WORLD	Aug 13	Prev	Year ago
Capital Int'l	217.1	217.3	182.2

GOLD (per ounce)

	Aug 14	Prev
London	$326.25	$326.25
Zürich	$326.15	$326.25
Paris (fixing)	$326.17	$328.74
Luxembourg	$326.25	$328.60
New York (Oct)	$330.00	$330.10

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Aug 14	U.S. DOLLAR Previous	STERLING Aug 14	STERLING Previous
$	–	–	1.385	1.3895
DM	2.789	2.784	3.855	3.875
Yen	237.85	237.25	329.0	330.25
FFr	8.5325	8.51	11.79	11.84
SwFr	2.301	2.2975	3.18	3.2
Guilder	3.143	3.1275	4.34	4.355
Lira	1,873.0	1,866.0	2,588.5	2,597.0
BFr	56.7	56.25	78.35	78.25
C$	1.3575	1.3575	1.8768	1.8863

INTEREST RATES

	Aug 14	Prev
Euro-currencies (3-month offered rate)		
£	11½	11⁷⁄₁₆
SwFr	4¾	4⅞
DM	4¹¹⁄₁₆	4¾
FFr	12⅜	12⅜
FT London Interbank fixing (offered rate)		
3-month U.S.$	8³⁄₁₆	8³⁄₁₆
6-month U.S.$	8⅜	8⅜
U.S. Fed Funds	9*	7⅞
U.S. 3-month CDs	7.80*	7.70
U.S. 3-month T-bills	7.08*	7.11

U.S BONDS

Treasury	Aug 14* Price	Aug 14* Yield	Prev Price	Prev Yield
8⅞ 1987	99²⁹⁄₃₂	8.94	99²⁹⁄₃₂	8.942
10⅞ 1992	100²⁹⁄₃₂	10.24	100¹⁹⁄₃₂	10.281
10½ 1995	100²⁷⁄₃₂	10.38	100¹⁹⁄₃₂	10.439
10⅝ 2015	99²⁷⁄₃₂	10.64	99¹⁹⁄₃₂	10.674
Corporate				
AT & T				
10⅜ June 1990	100½	10.23	100⅝	10.20
3⅞ July 1990	83⅛	8.15	81½	8.60
8¾ May 2000	83¼	11.05	83	11.10
Xerox				
10⅞ March 1993	99⅛	10.80	98⅛	11.00
Diamond Shamrock				
10⅜ May 1993	98⅞	10.85	97¾	11.05
Federated Dept Stores				
10⅞ May 2013	92.70	11.50	93.00	11.45
Abbot Lab				
11.80 Feb 2013	101.632	11.60	102.00	11.55
Alcoa				
12¼ Dec 2012	100.746	12.15	101⅛	12.10

Source: Salomon Bros

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Sept	76-03	76-07	75-16	75-23
U.S. Treasury Bills (IMM) $1m points of 100%				
Sept	92.91	92.94	92.92	92.87
Certificates of Deposit (IMM) $1m points of 100%				
Sept	92.24	92.24	92.16	92.22
LONDON				
Three-month Eurodollar $1m points of 100%				
Sept	91.89	91.91	91.82	91.87
20-year Notional Gilt £50,000 32nds of 100%				
Sept	112-07	112-11	112-04	112-08

COMMODITIES

(London)	Aug 14	Prev
Silver (spot fixing)	452.30p	452.60p
Copper (cash)	£1,020.75	£1,009.75
Coffee (Sept)	£1,679.00	£1,639.00
Oil (spot Arabian Light)	627.425	527.40

TOKYO

Resilience counters twin shocks

RESILIENCE to the twin sbocks of the Sanko Steamship collapse and the crash of a Japan Air Lines (JAL) Boeing 747 jet developed during trading in Tokyo yesterday as buyers returned to push sbare prices sharply higber, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market average gained 92.93 from the previous day to 12,419.64. Volume increased to 393m sbares from Tuesday's 187m. Advances outpaced declines by 409 to 316, with 172 issues unchanged.

Sanko Steamship virtually went bankrupt with liabilities of more than Y500bn oo Tuesday when it applied for court protection under the corporation rehabilitation law. Its stock was moved from the Tokyo Stock Exchange's first section to a liquidation post yesterday and will be traded there for three months until delisting.

Sanko attracted speculative interest and topped the active list with 84.26m shares cbanging hands, as it closed at Y19, down Y6 from Monday. Trading in Sanko shares had been suspended oo Monday afternoon and Tuesday.

JAL came under heavy selling pressure on prospects that Monday's airliner crasb with the deaths of 524 people in mountains north-west of Tokyo would worsen its earnings position. It ended Y410 lower at Y6,190. News that the airline's president offered to resign came after trading.

Investor interest centred on issues related to the Government's fiscal investments and loans programme and biotechnology stocks.

Construction issues accounted for seven of the ten most active stocks. Sato Kogyo, the second busiest issue with 22.20m shares traded, jumped Y27 to Y498.

Wakachiku Construction, fourth with 16.44m sbares, leaped Y72 to Y792. Ohbayashi added Y18 to Y407, Kajima Y28 to Y473 and Shokusan Jutaku Sogo Y46 to Y415. Obbayashi ranked fifth with 13.49m shares, Jajima sixth with 11.56m and Shokusan Jutaku seventh with 8.89m.

Among biotechnology issues, Kanebo gained Y18 to Y511 and Kuraray rose Y20 to Y1,350.

Asset-heavy stocks were also in the spotlight, with property and warehouse stocks advancing almost across the board. Mitsuhishi Warebouse rose Y21 to Y677 and Mitsuhishi Estate Y23 to Y904.

Blue chips Sony and Minolta gained Y110 and Y43 to Y3,740 and Y859, respectively. Tokyo Electric Power was bunted briskly toward the close, jumping Y40 to Y2,040. But large-capital stocks were mixed. Mitsuhishi Heavy Industries closed Y1 lower at Y329.

HONG KONG

A LATE round of bargain-bunting focused on the property sector left Hong Kong moderately higher after an easier opening.

Local institutions provided the force behind the buying as the Hang Seng index edged closer to the 1,700 barrier with a 4.64 increase to 1,691.73.

Cheung Kong and New World both firmed 10 cents to HK$18.50 and HK$7.70 respectively, while Hongkong Wharf added 5 cents to HK$7.30.

SINGAPORE

SPECULATIVE buying and short covering after recent falls helped share prices in Singapore to recover across a broad front in relatively active trading.

The Straits Times industrial index gained 5.57 to 751.56 on increased volume. Among active stocks, UOB added 8 cents to S$3.70. Lum Chang 5 cents to S$1.05 and Pahang Investment 1 cent to 57 cents.

EUROPE

Expectation heightened in Frankfurt

INVESTORS yesterday took tentative steps back into a Europe which has lacked any real incentives since the holiday season began. Corporate result expectations and local factors contributed to the mixed-to-firmer reaction.

Although activity in Frankfurt was limited ahead of today's Bundesbank meeting, when the central bank is expected to cut its discount rate, shares saw strong gains as the market began to correct after this week's losses.

Deutsche Bank moved higher on interest rate expectations, adding DM 7 to DM 553.50. Bayerische Vereinsbank gained DM 5 to DM 394 and BHF put on DM 2.50 to DM 318.50 as nervousness over Latin American debt repayments subsided.

Foreign demand boosted chemicals, as expectations grew of improved results. BASF, which has signed a technology agreement with Mitsubishi Petrocbemical of Japan, added DM 1.40 to DM 225.10, Bayer finisbed DM 1 higher at DM 225 and Hoechst gained 30 pfg to DM 221.50.

Car makers bounced back from recent losses despite the softer dollar. VW picked up DM 2 to DM 320, Porsche regained 50 pfg at DM 1,285.50 after falling DM 17 on Tuesday and Daimler added DM 2.50 to DM 873.50 ex-dividend.

Elsewhere, metals processor Degussa gained DM 4 to DM 360, Thyssen in steels added DM 3.30 to DM 122 and utility stock Veba ended DM 2 higher at DM 233.

Bond prices were bolstered by up to 15 pfg as foreign interest emerged. The Bundesbank sold a moderately large DM 56.6m worth of paper after selling DM 9.6m the previous day.

Late heavy buying in Zurich left prices higher. The improvement was attributed to optimism that Swiss banks would follow the Bundesbank move to lower lending rates.

Blue chips led the trend, and in strong insurers Swiss Re rose SwFr 50 to SwFr 12,650 and Winterthur SwFr 35 to SwFr 4,475, while Zurich Insurance was steady at SwFr 5,500.

The spotlight remained firmly fixed on Nestlé, which began its latest run of gains on August 9. The issue added SwFr 115 to SwFr 6,875.

In banks, Bank Leu advanced strongly to SwFr 3,790, up SwFr 40, Swisa Bank gained SwFr 3 to SwFr 469, while Credit Suisse shed SwFr 5 to SwFr 2,985.

Little movement was seen in bonds and most ended unchanged from Tuesday's session.

Brussels maintained its firmer trend ahead of a two-day holiday. Market leader Petrofina, Belgium's largest industrial concern, was higher on weak volume. It ended BFr 90 higher at BFr 5,850 after strong buy recommendations. Rumours circulated the market attributing the buying interest in Petrofina to Groupe Bruxelles Lambert, which faded BFr 15 to BFr 1,885.

UCB continued to gain, rising BFr 60 to BFr 5,110, while against the trend, Cockerill Sambre lost another BFr 4 to end at BFr 211.

Advances outnumbered declines in Amsterdam but few major movements were seen.

The lower first-half results at Philips depressed the price, which dropped 70 cents to Fl 46.20. Hoogovens put on 60 cents to Fl 68.20 ahead of improved profits for the first six months. KLM, which will announce its first-quarter results today, ended unchanged at Fl 59.

Unilever retreated Fl 1.50 to Fl 328 on the back of tepid financial results released late on Tuesday. Most activity yesterday centred on ABN, the big Dutch banking group expected on Friday to report a substantial increase in second-half earnings. ABN added Fl 5 to Fl 522 ex-rights.

Prices were mixed in Stockholm, partly reflecting Asea's weaker earnings prospects for the year. Asea lost SKr 10 to SKr 295.

SKF, the ball-bearing group, drifted SKr 1 lower to SKr 224. After the close of trading, SKF announced a 55 per cent increase in profits for the first half.

Paris ended narrowly mixed as trading quietened ahead of today's market holiday, and activity was mainly limited to investors squaring their positions.

Madrid experienced a modest advance, while in Milan profit-taking before the end of the bourse month sent prices lower.

CANADA

A BROAD although modest advance lifted activity in Toronto. Mercantile Bank of Canada was the most active stock, trading C$½ higher at C$14⅞, followed by Turbo Resources, up 14 cents to 60 cents, while Canadian Occidental Petroleum firmed C$¼ to C$28½.

Montreal was also stronger.

LONDON

Rate hopes continue to influence

EQUITY VALUES moved higher in an interest-rate sensitive market, although business was slow and often concentrated on companies reporting corporate results.

Better-than-expected results from Commercial Union boosted the share price 13p to 229p, while other insurers followed, with Equity Law np 8p to 288p and Royal Insurance 20p higher at 703p.

Blue chips opened cautiously, although most improved when sterling drifted back from Tuesday's high. Turnover in the sector remained disappointing.

The FT Ordinary share index, which had remained static for most of the day firmed late in the session to close 6.4 higher at 966.0. Wall Street'a firmer opening provided the impetus for this improvement.

The slight easing of sterling stifled activity in gilts.

Chief price changes, Page 27; Details, Page 26; Share information service, Page 24-25.

AUSTRALIA

TAKEOVER activity dominated trading in Sydney as the bulk of stocks edged forward, carrying the All Ordinaries index to a new peak with a two-point rise to 956.4.

Nearly 29m Woolworths shares changed hands on speculation that the company was planning a major acquisition – later confirmed with the purchase of the local operations of the U.S. Safeways group. The shares added 3 cents to A$3.58.

SOUTH AFRICA

INVESTORS were sidelined in Johannesburg by the planned statement today on government reform proposals, leaving gold shares to drift lower in light trading.

Southvaal eased R1 to R74, while among lower prices issues, East Rand fell 25 cents to R13.25 and Blyvoor added 30 cents to R12.70.

Mining financials and other mining stocks were quiet and little changed. De Beers firmed 3 cents to R11.10. Industrials were mixed with an easier bias.